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MARCH, 1977

MEXICO, 1977

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Current History

MARCH, 1977

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In this issue, seven specialists analyze Mexico's foreign policies and domestic problems. Mexico's population growth rate overshadows all her other problems and is discussed from several perspectives here. As our first article points out: ". . . , the quality of life for Mexicans and their ability to play a greater role in the international arena depends on López Portillo's success in curbing his nation's vertiginous population growth."

Mexican Foreign Policy

BY GEORGE W. GRAYSON

Professor of Government, College of William and Mary

A hint of suspense tinged New York City's cold, moist air as diplomats from 15 countries gathered in the second-floor Security Council chambers of the glassy blue United Nations building. After an exchange of pleasantries and a briefing on procedures, the ambassadors proceeded to the selection of the U.N.'s next secretary-general. Despite a reported Chinese veto on the first ballot—a symbolic act to indicate a preference for a third world candidate—the members of the Security Council overwhelmingly reelected Austria's Kurt Waldheim to a second five-year term, a move promptly ratified by the General Assembly.¹ Thus December 7, 1976, represented a diplomatic Pearl Harbor for the ambitious, flamboyant Luis Echeverría Alvarez, Mexico's recently retired President, who had crisscrossed the globe in his campaign to lead the world organization. Many observers viewed the defeat as the appropriate finale of a six-year

presidential term during which grandiloquent pronouncements were seldom matched by effective action.

The President of Mexico is more powerful than his American counterpart, in terms of personal discretion in decision-making. For example, among those whose names were mentioned as a possible successor to Echeverría, who left office on December 1, 1976, the first choice of government, party and interest group circles was Mario Moya Palencia, then Secretary of the Interior (Gobernación). Yet when José López Portillo, a long-time friend of Echeverría and Treasury Minister since 1973, was "tapped" by the incumbent, not a single voice was raised in opposition. Instead, virtually everyone of significance—congressmen, party bosses, union activists, peasant leaders, state officials, Cabinet members, and Moya himself—paid homage to the President-designate.²

The chief executive is also the "alpha and omega of Mexican foreign policy formulation and execution."³ Among the sources of his authority are the 1917 constitution and the laws of the Republic. The President is commander-in-chief of the armed forces and head of the National Guard and is charged with the responsibility for maintaining internal security and external defense. He may declare war—with the approval of Congress—a body which is subservient.⁴ He is the nation's chief diplomat because of his power to appoint "ministers, diplomatic agents and consuls general," because of his power to grant asylum to political refugees, and because of his right to conclude treaties, which must be ratified by Congress. Moreover, he is the

¹The *New York Times*, December 8, 1976, p. 1, 14; December 9, 1976, p. 1, 12.

²For an analysis of López Portillo's election, see my "The Making of a Mexican President, 1976," *Current History*, vol. 70 (February, 1976), pp. 49-52, 83-84.

³Frank Brandenburg, *The Making of Modern Mexico* (Englewood Cliffs, N.J.: Prentice-Hall, 1964), p. 319.

⁴A rare breach of discipline occurred in mid-November, 1976, when a dozen *Priistas* voted against a party-endorsed measure to give a total of six aides and servants for life to former secretaries of navy; it remains to be seen what, if any, sanctions will be imposed on the dissenters. See *Proceso*, November 13, 1976, pp. 31-32 and November 20, 1976, pp. 18-21.

"ultimate arbiter" on "exchange controls and currency devaluation, . . . compensatory trade agreements, tariff schedules and export duties, tourist regulations, the rights and obligations of foreign investors, international aviation, and migratory labor."⁵

In addition to his constitutional and statutory authority, the President embodies the tradition of a nationalistic revolution that began in 1910; he cultivates the role of father figure for a rapidly changing nation one-fifth of whose population is illiterate. And as leader of the ruling Institutional Revolutionary party (Partido Revolucionario Institucional—PRI), the chief executive manipulates the levers of a complex political machine that has developed democratic forms for co-opting emerging leaders, rewarding supporters, and punishing dissidents.

Mexican Presidents of different ideological hues have established the fundamental tenets of their country's foreign policy. Among the most important of these are the juridical equality of states, the sovereignty and independence of all nations, nonintervention in the domestic affairs of another country, the peaceful resolution of conflicts, collective security and participation in international organizations, and the protection of human rights and fundamental freedoms.⁶ Related to these occasionally self-contradictory principles is support for the Estrada Doctrine (1930), which bears the name of a Mexican Foreign Minister who insisted on the immediate, automatic recognition of new governments. Moreover, Mexico has strongly endorsed both the Calvo Clause (1863), which asserts that the verdicts of a nation's courts regarding foreign nationals are final and cannot be overturned by the litigant's home judiciary or diplomatic representatives, and the Drago Doctrine (1902), which maintains that "the public debt cannot occasion armed intervention or the actual occupation of the territory of American nations."⁷

These tenets reflect Mexico's fondness for confronting difficult problems with lofty statements of principles, which—in the case of civil liberties, for example—are

not consistently adhered to domestically. In addition, they reveal the profound impact of 150 years of United States military, economic, political and cultural dominance on Mexico's priorities. Despite the country's membership in the League of Nations, the United Nations, the Organization of American States and other international bodies, Mexico's relations with her powerful, expansive neighbor to the north have dominated her foreign policy. "Mexico: so far from God; so close to the United States"—is an oft-quoted aphorism in Mexico City.

ECHEVERRIA'S THIRD WORLD POLICIES

Mindful of Mexico's past dependence on the United States, Echeverría sought to take his country out of the shadow of the Colossus of the North and thrust it into a leadership role among third world nations, while forging closer economic and political ties with European states on both sides of the Iron Curtain. The time seemed ripe for this assertion of independence. The world had become increasingly pluralistic; the emergence of the Soviet Union and China as superpowers restricted the influence of the United States. The presence of Communist Cuba indicated that ideological pluralism had become a reality only 90 miles from America's shores. African, Asian and Latin American nations had begun showing their strength in the United Nations and other international forums. And United States attention to hemispheric matters was limited because of the protracted conflict in Vietnam.

Aware that past Presidents rarely left Mexico during their administration, except—perhaps—to visit the United States,⁸ Echeverría sought to prove his independence of the United States and to enhance his own image by traveling. Indeed, he visited 36 nations and held meetings with 64 heads of government.⁹ His most publicized jaunt began in mid-1975 as a two-week, five-nation tour, hastily expanded to 44 days and 14 countries. The improvised, frenetic nature of the tour inspired analysts to characterize Echeverría as a combination of "Superman and Speedy González," as he glad-handed his way across three continents.

With Echeverría's constant travels and the steady stream of foreign dignitaries to Mexico City, diplomatic relations were forged with other nations. All told, Mexico exchanged diplomats with 67 additional countries during Echeverría's six-year term, raising to 129 the number of countries with which Mexico had relations. Relations were severed with Chile following the overthrow of Salvador Allende Gossens, with whom the Mexican chief executive had developed close ties. This action added to the country's non-intervention doctrine an "Echeverría corollary," whereby diplomatic pressure may be placed on regimes which violate human rights. The only other states of importance still not recognized are North Korea and Spain: the former because it fomented guerrilla activities in Mexico; the

⁵Brandenburg, *op. cit.*, p. 319.

⁶Ibid., pp. 320-323; L. Vincent Padgett, *The Mexican Political System*, 2d ed. (Boston: Houghton Mifflin, 1976), pp. 206-209; and José Manuel Morante Flores, "La Política Exterior en el Régimen Actual," *Estudios Internacionales*, vol. 3 (1973), p. 56ff.

⁷Brändenburg, *op. cit.*, p. 322.

⁸According to *Facts on File* and *The New York Times Index*, the United States was the only foreign country visited by Presidents Cárdenas (1934-1940), Avila Comacho (1940-1946), Alemán Valdés (1946-1952), Ruiz Cortines (1952-1958) and Díaz Ordaz (1964-1970) during their terms. In addition to a trip to the U.S., López Mateos (1958-1964) also spent three days in Canada.

⁹Of the three dozen nations visited, the breakdown is as follows: Europe (9), Asia (4), Africa and the Mid-East (9), and the Americas (14); see, Luis Echeverría Alvarez, *VI Informe de Gobierno* (Mexico City: Cultura y Ciencia Política, A.C., 1976), n.p.

latter because of Mexico's fervent support for the losing Republican side in the Spanish civil war.¹⁰

Echeverría's diplomatic efforts were not confined to other states. In December, 1974, he signed an agreement for commercial cooperation between Mexico and the European Economic Community (EEC), the first such accord between the EEC and a Latin American republic. He also negotiated an agreement for economic, scientific and technical cooperation between his country and the Council for Mutual Economic Assistance, the Communist bloc's economic alliance. Mexico also served as host for a number of international conclaves, including one that highlighted the International Woman's Year in 1975.

Altogether, Echeverría's efforts produced 160 international pacts and agreements; half these accords concerned economic or commercial questions, while one-third focused on cultural, technical, or scientific matters.¹¹

Of all the international accords he negotiated, Echeverría is proudest of the Charter of the Economic Rights and Duties of States. This document, for which Echeverría hoped to win a Nobel Peace prize, was established to provide an "alternative to war" for industrialized and less developed nations. It affirms the sovereignty of every state over its wealth, resources and economic activity, and its right to control foreign investment in accordance with its laws and to supervise multinational firms within its boundaries. Another provision, strenuously resisted by most advanced countries, recognizes every nation's right to expropriate foreign property without guaranteeing equitable compensation. The controversial document also provides that trade should be guided by the principles of mutual advantage, fair benefits for all parties concerned, and cooperation in adjusting the export prices of primary products to those received by manufacturing centers for their finished goods. The right to organize commodity cartels is also recognized.¹²

Although the non-binding charter was subject to controversy and debate for nearly three years, it was approved in late 1974 by a margin of 120 to 6 (with 10 abstentions) in the United Nations General Assembly. The highly industrialized Western nations,

whose support is crucial to the achievement of the charter's goals, either abstained or voted "nay." Thus the charter, about which less will be heard now that its most strident supporter has left office, provides one more example of Mexico's penchant for applying pompous declarations to intractable problems—an approach to international affairs possibly learned from her North American neighbor.

SELA

Echeverría sought to imbed the principles of the United Nations-approved charter in an organization designed to establish a "system of economic consultation and cooperation" in Latin America. First mentioned by the Mexican leader in a July 15, 1974, speech in Lima, the Latin American Economic System (Sistema Económico de América Latina—SELA) won the prompt backing of Venezuela's President Carlos Andrés Pérez. The two chief executives then proceeded to convince their hemisphere neighbors that "the countries of the third world and those of Latin America, in particular, must unite in defense of their common principles and interests or resign themselves to remaining underdeveloped indefinitely."¹³ Their joint effort bore fruit on October 17, 1975, when 25 nations signed SELA's charter; included among the signatories was Cuba. The United States, against which the system was implicitly aimed, was excluded.

The organization intends to promote national development projects and create Latin American transnational firms, to defend the prices of manufactured goods and raw materials, while establishing cartels for the latter, to stimulate food production and encourage multinational ventures for the production of fertilizers, and to encourage the acquisition of capital goods for the region and foster technical cooperation among Latin American and third world nations.¹⁴

SELA's most promising project is a multinational fleet of passenger and cargo ships to serve the Caribbean countries, which now contend with erratic schedules and freight rates so exorbitant that they constitute a "brake" on those nations' export industries.¹⁵ Echeverría fathered the idea of this intra-zonal fleet, which will be composed of vessels leased from Norway, West Germany, Great Britain and other countries until the region has shipyards in which to build freighters.

On questions like shoring up the prices of raw materials through OPEC-like accords (Mexico, for example, helped organize an international sugar agreement and actively participates in a coffee cartel) SELA has yet to prove effective. A confluence of factors—strong demand, convenient storage, a limited possibility of substitution, production flexibility and a small number of suppliers (several of which are exceedingly affluent)—augurs well for a petroleum cartel. The absence of these factors casts doubt on the success of commodity accords in sugar, bananas, coffee, cotton, and other

¹⁰The activities of the Pyongyang-aided Movimiento de Acción Revolucionaria (MAR) are recounted in John Barron, *KGB* (New York: Bantam Books, 1974), pp. 312-348. López Portillo has stated that diplomatic relations will not be resumed with Spain until there is "a clear and broad democratic opening" in Madrid and Spanish exiles can "return home with dignity"; see, *Facts on File*, January 31, 1976, p. 75. In view of the reforms undertaken by King Carlos I, it is likely that the resumption of relations will occur in early 1977.

¹¹Echeverría, *op. cit.*

¹²*Facts on File*, December 14, 1974, pp. 1014-1015.

¹³*The Times of the Americas*, April 2, 1975, p. 1.

¹⁴*Facts on File*, April 5, 1975, p. 210; *Proceso*, November 20, 1976, pp. 11-12.

¹⁵*The Times of the Americas*, April 2, 1975, p. 9.

important Latin American exports. In addition, despite a mutual concern about United States economic and political influence and a commitment to common goals, it is questionable whether oil-rich, semi-industrialized countries like Mexico and Venezuela share basic interests with Bolivia, Guatemala, Haiti and Paraguay.

Consistent with the Charter of Economic Rights and Duties of States and the Latin American Economic System, Mexico has tried to protect herself from exploitation at the hands of foreign investors. Legislation was enacted in 1972 to control the transfer of foreign technology and the use of patents and brand names. Under this statute, all firms using or planning to acquire foreign technology are compelled to submit complete details of the transaction to the Industry and Commerce Ministry. If the price is reasonable, the technology is unavailable in Mexico, and the product is compatible with the country's development needs, the plans will be approved. Otherwise, to prevent the loss of foreign exchange, foreigners—and the law is aimed at Americans who have invested an estimated \$3 billion in Mexico—will not be allowed to acquire technology from abroad.¹⁶

Hard on the heels of the technology restriction, Mexico's Congress approved a bill for the control of foreign investment. This essentially moderate statute lists those areas of the economy in which foreign capital is permitted, states that foreign investors should control no more than 49 percent of the equity of a firm, stipulates that foreign financing should be obtained to minimize demands on limited domestic credit, grants preferences to Mexicans for available jobs, and encourages the use of domestic raw materials and goods in the production of manufactured items. In this statute as in the technology law, flexibility is introduced through the creation of special commissions empowered to grant exceptions to the general rules.¹⁷

Echeverría's international initiatives have not been confined to economic matters. He has strongly advocated the return of Cuba to the inter-American family of nations. Indeed, Mexico refused to honor a 1964 Organization of American States resolution imposing diplomatic and commercial sanctions on the Castro regime. For years, Mexico was the only member of the OAS with an ambassador in Havana. Thanks in part to Mexican lobbying, the vote required to accord member nations freedom of action in their relations with Cuba was changed from two-thirds to a simple majority. As a result, in mid-1975 the OAS foreign minis-

ters agreed that their governments would henceforth be "free to normalize or conduct, in accordance with national policy and interests, relations with the Republic of Cuba at the level and in the form that each state deems advisable."

ECHEVERRIA'S POLICIES: AN EVALUATION

Success led to excess in Echeverría's foreign policy. Encouraged by the support that his economic schemes attracted, the flamboyant Chief Executive fancied himself such a popular leader that he could settle the Middle East crisis. He consequently offered to mediate the Arab-Israeli conflict—a proposal, promptly spurned by both parties, that exposed him to the ridicule of seasoned diplomats.

But the Middle East became a tar-baby from which he had trouble disentangling himself. Either because of his concern for the Palestinians or because he wanted to curry Arab bloc support for his candidacy as U.N. secretary-general, Echeverría met with Yasir Arafat and subsequently announced that the Palestinian Liberation Organization would open an information office in Mexico City. This gesture, inexplicable in terms of the international goals of a country self-sufficient in petroleum, was followed by support for the "Zionism is Racism" resolution in the U.N. Mexico's vote led American Jews to boycott Mexico as a convention and vacation site, thereby causing the cancellation of some 30,000 hotel reservations. In an act of humiliation, Mexico's Foreign Minister was dispatched to Tel Aviv to discuss "any misunderstanding between the two countries." Before returning home, he insisted that "there is no discrimination in Zion and where there is no discrimination there can be no racism."¹⁸

Rhetoric about sovereignty and independence notwithstanding, Mexico's dependence on the United States, measured by external debt, foreign investment and imports, increased during the last *sexenio*. Only in the percentage of Mexican exports to the United States was a decline registered between 1970 (68.4 percent) and 1975 (59.9 percent).¹⁹ Mexico's economic vulnerability was emphatically demonstrated by the Jewish boycott.

Within the nation itself, the poor and the weak witnessed the growth of their dependence on a corrupt, self-serving, and paternalistic system during the Echeverría administration. The President was unwilling to make hard economic decisions. He reneged on a pledge to reform Mexico's Byzantine tax structure; he failed to curb corruption and lavish spending by high government officials; he spurned advice to "unfreeze" the prices of staples, the production of which fell sharply, causing the importation of large quantities of foodstuffs; and, despite widespread speculation and capital flight, he vacillated until the eleventh hour before devaluating the peso. This inaction was com-

¹⁶Facts on File, December 24-31, 1972, p. 1062.

¹⁷Ibid., April 15-21, 1973, p. 319; and Olga Pellicer de Brody, "Mexico in the 1970's and Its Relations with the United States," in Julio Cotler and Richard R. Fagen, eds., *Latin America and the U.S.: The Changing Political Realities* (Palo Alto: Stanford University Press, 1974), p. 331.

¹⁸Proceso, November 20, 1976, p. 15.

¹⁹Ibid., p. 11.

bined with inflammatory leftist rhetoric that raised the hackles of domestic and foreign investors. As a consequence, investment slowed, inflation increased sharply from 1970 (4.5 percent) to 1976 (18 percent), and more than half the population was left either without a job (17 percent) or under-employed (39 percent), according to the respected weekly, *Proceso*.²⁰

So low was Echeverría's public esteem when he left office that responsible people, even in the absence of evidence, were prepared to believe that the President kept the terrorist 23rd of September Communist League alive to do his dirty tricks and that his distribution of 100,000 hectares to the landless poor in Sonora and Sinaloa sprang from an interest in furthering his U.N. candidacy and developing a political constituency among Mexico's peasants for some future, though undefined, political venture. But despite his excesses and mistakes, Echeverría may yet win the acclaim of historians as the man who set his country on a new international course.

ENTER LOPEZ PORTILLO

José López Portillo must follow the *tercermundista* policies of his predecessor, who will be looking over his shoulder from the presidency of a Third World Institute, recently established in the San Jerónimo suburb of Mexico City on land donated by Echeverría. But former Presidents have difficulty manipulating their hand-picked successors—Lázaro Cárdenas had Plutarco Elías Calles roused out of bed and expelled from the country for his meddling—and López Portillo is expected to eschew strutting and breast-beating in international relations. During a September, 1976, visit to Washington, the President-elect stated that his administration would be characterized by austerity, discipline, and respect for priorities.

Mexican-United States relations, often strained by Echeverría's flights of rhetoric, will require the new President's immediate attention. Despite occasional friction, a number of difficult questions were resolved amicably during the last *sexenio*. Border disputes were satisfactorily negotiated; the salinity problem caused by the Colorado River was settled; and narcotics smuggling was vigorously attacked. Further, the United States and Mexico have decided to exchange prisoners—Mexicans incarcerated in the United States will complete their sentences in Mexican jails and vice versa. And an agreement was reached giving United States fishermen limited access to the 2.4 million square kilometers within Mexico's 200-mile ocean jurisdiction.²¹

²⁰Ibid., p. 8; the 1970 inflation figure is also from *Proceso*, November 13, 1976, p. 20, while the 1976 estimate was published in the Banco Nacional de México's *Review of the Economic Situation of Mexico*, vol. 52 (November, 1976), p. 347.

²¹The Washington Post, November 27, 1976, p. A-16.

²²Excelsior, November 25, 1976, p. 25-A.

The extremely high volume of United States exports legally entering Mexico and the enormous number of Mexicans illegally entering the United States are the major unresolved issues between the two countries.

Mexico has consistently imported more from the United States than she has exported. The country's post-World War II emphasis on industrialization has required the purchase of even larger supplies of capital goods. Purchased mainly north of the Rio Grande, these goods give Mexico a sharp current account deficit, which can only be overcome by expanding tourism, emigrant remittances, investments, and loans. In 1975, for example, imports (\$5.1 billion) exceeded exports (\$3.1 billion) by \$2 billion. While it is never expressly stated, the Mexicans yearn for a "special relationship" to obtain preferential access to the American market. Any such favoritism is strongly resisted in the United States by organized labor, farmers and manufacturers familiar with the difference between Mexican and United States wage levels.

The solution to Mexico's balance of payments difficulties may lie in the country's petroleum reserves, conservatively estimated at 15 billion barrels but which may prove to be 60 billion barrels—an amount surpassed only by Saudi Arabia. PEMEX, the cautious state oil firm, is already producing 1.2 million barrels per day, with the bulk of its exports destined for the United States. Although Mexico has sought only an observer status in OPEC, she follows the organization's pricing policy. With daily production projected to exceed 2 million barrels by the early 1980's, the means to obtain badly needed foreign exchange and finance the nation's ambitious industrialization program may be at hand.

When he donned the presidential sash, López Portillo, who has two daughters and a son of his own, became the political father of a nation of 63 million. Conservative official projections show that when the 56-year-old economist leaves office six years hence his family will exceed 78 million, a figure expected to swell to 135 million in the year 2000—when Mexico City will be the largest metropolis in the world.

As serious as it is, Mexico's population growth, at 3.5 percent annually²² the fastest among major nations, is ameliorated by the legal yearly emigration to the United States of 50,000 to 60,000 Mexicans—a number that will drop by one-third because of new, more restrictive United States immigration quotas. In

(Continued on page 134)

George W. Grayson has made six trips to Latin America in the past ten years. He is the author of a study of Chilean politics entitled *El Partido Demócrata Cristiano Chileno* (Buenos Aires: Editorial Francisco de Aguirre, 1968) and has written a number of articles for scholarly journals. He lectures at the Foreign Service Institute of the Department of State.

"The recurrent theme in Lopez Portillo's inaugural speech was the need to broaden the distribution of wealth, opportunity and justice in Mexican society. . . . Whether [he] can turn Mexico to a recovery course remains to be seen."

Mexico's Government in Crisis

BY SALVATORE BIZZARRO

Assistant Professor of Spanish and Latin American Studies, Colorado College

DESPIRE rumors that his inauguration would be prevented by a military coup or seizure of power by outgoing President Luis Echeverría Alvarez, José López Portillo took office as the sixtieth President of Mexico without serious incident on December 1, 1976. Three major problems faced him as he donned the tricolored presidential sash: the dramatic erosion of the value of the once-buoyant Mexican peso; peasant unrest in the rich northern farm belt; and high inflation and unemployment. As a consequence, the most stable country in Latin America was shaken by serious convulsions. Changing Presidents had always produced upheavals in Mexico, but seldom had a new leader assumed duties at such a critical juncture.

To complicate the situation, Echeverría refused to act as a lame duck President during his last months in office. For six years, he blended radical oratory with conservative action, but as his term drew to a close he made every effort to remind the nation that he was the man who returned Mexico to the path of revolution. The left applauded his agrarian reform with reservation, accusing him of doing too little too late; the right was angered by his "socialistic policies," which were squeezing profits, discouraging private and foreign investment, and creating turmoil in the *campo* (countryside).

Resolving the problems currently plaguing Mexico will not be easy for the new President, and he made it clear in his inaugural speech that he offered no miracles for recovery from what he called "the country's crisis, but not catastrophe."¹

¹*The Wall Street Journal*, December 2, 1976, p. 6.

²*Latin America* (London: Latin America Newsletter Ltd.), vol. 10, no. 27 (July 9, 1976), p. 209. (All other references to this publication will be by volume, number, and date.)

³The PRI was known at first as the Partido Nacional Revolucionario (PNR), later as the Partido Revolucionario Mexicano (PRM) and, finally, as the Partido Revolucionario Institucional.

Although the ruling powers in the dominant Partido Revolucionario Institucional (PRI) have chosen the Mexican President for the last 46 years, the outgoing Chief of State has the final word in naming a successor. Thus, when Echeverría "tapped" his able Treasury Minister a year and a half ago, no one doubted the outcome of the July 4, 1976, elections. José López Portillo, who campaigned with the vacuous Madison Avenue slogan, "La solución somos todos" (the solution is all of us), was the victor by a comfortable margin: López Portillo, 18.5 million votes, abstention, 7.4 million.²

Besides the abstentions, which declined from 30 percent in 1970 to 28 percent in 1976, three write-in candidates polled another million votes among them: Valentín Campa, the candidate of the Partido Comunista Mexicano (PCM), who had campaigned with the more accurate slogan, "no somos todos"; Pablo Emilio Madero (nephew of the assassinated revolutionary Francisco I. Madero), the unofficial candidate of the rump of the Partido de Acción Nacional (PAN); and Marina González del Boy, the feminist candidate. Two other parties, the Partido Popular Socialista (PPS) and the Partido Auténtico de la Revolución Mexicana (PARM), backed the PRI candidate.

The Mexican political system has a curious anomaly. The "mainstream" is the PRI, which has won every election since its inception in 1929.³ Outside the mainstream there is only the "fringe," made up of a number of small parties which often advocate simplistic, utopian or even dangerous panaceas that have never seriously influenced the majority of the Mexican people. If the PRI occupies what can be called the center of the political spectrum, the parties of the opposition fall into a right-left framework.

Ideologically, the Mexican political scale is overbalanced to the right: the regime has tolerated two conservative opposition parties, the PAN and the PARM, whose members are the big businessmen, the

small-town, clerically oriented middle class, and workers and peasants who are discontented with the ruling PRI, which is often seen as corrupt and inefficient.

PAN is the official opposition party of the right. Established in 1939 as a reaction against the radical reforms of President Lázaro Cárdenas (1934-1940), today the PAN is internally divided and was virtually incapable of campaigning in the last presidential election. In the 1960's and the 1970's the PAN won some local elections in Mérida, Yucatán and Baja California, but it has never posed any serious national threat to the PRI.

PARM has had trouble in winning even local elections. To the right of PAN, it is as irrelevant now as when it was formed in 1954 as a personal concession by President Adolfo Ruiz Cortines (1952-1958) to General Jacinto Treviño.⁴

The PPS is the official party of the left. Founded in 1949 against the conservative policies of President Lucas Alemán (1946-1952), as a vehicle for the views of Vicente Lombardo Toledano, it has since kept or built ties with the PRI. Late in 1949, union leader Toledano broke away from the PPS on the grounds that his own party was not Marxist, as it claimed. During the last two presidential elections, the party has backed the PRI candidate.

No longer effective in expressing the views of the Marxist left, the PPS has virtually lost its separate identity. For example, Jorge Cruickshank García, the PPS leader, received PRI support in his campaign as senator for Oaxaca. In exchange, the PPS supported the PRI governor in Nayarit.⁵

The unofficial left is represented by parties that do not form part of the electoral groups,—i.e., their membership (less than 60,000) is not large enough for them to be considered official parties. The most important minor party is the PCM, with a membership of only five thousand. The Trotskyist Partido Revolucionario de Trabajadores (PRT) and the Spartan Communist League (Liga Comunista Espartana) represent the extreme left.⁶

This political system endures because, for good or for ill, competent or incompetent, honest or corrupt, the PRI regards itself as the only legitimate heir to the Mexican Revolution of 1910. Given the collapse of the right-left opposition, the PRI must decide whether to fortify its own authority as the sole governing party or to take steps to establish some form of democratic dissidence.

Ideologically and socially heterogeneous, the PRI is a divided party, with a fading opposition and consolidated pressure groups. Examples of this division are the rift between Echeverría and López Portillo, dissensions within the legitimate opposition party, PAN, and labor and peasant unrest that have resulted in strikes and land takeovers. The PRI is under growing criticism from Mexicans who say that it has outlived its usefulness and that now is the time for greater democracy and more citizen participation.

TRANSFER OF POWER

When Echeverría sprang his friend López Portillo on an astounded Mexico as his chosen successor, it was clear that his aim was to dominate the next administration (given López Portillo's lack of a power base), and to insure a smooth transfer of power. But because Echeverría had bungled his management of the economy during his tumultuous six years as President, it was apparent that López Portillo would not follow Echeverría's policies.

The roots of Mexico's current problems go as far back as 1970, when Echeverría became President. An ambitious politician with a tarnished image because he ordered the massacre of some 400 students on the eve of the 1968 Olympics, Echeverría had set out to win a reputation as a man of the people and a champion of the third world.⁷ He will probably be remembered, nevertheless, as the Mexican President who devalued the peso.

At home, Echeverría combined tough, anti-business rhetoric with a program of "shared growth," through which he tried to narrow the vast economic and social inequalities that have long afflicted the Mexican people. He primed the economy with millions of government dollars and doubled the production of oil, petrochemicals and steel. He also launched an ambitious, deficit-financed investment program in housing, highways and electric projects. During the 1975-1976 period, public investment exceeded private investment for the first time in Mexico's history. Finally, he increased services by 95 percent, giving workers regular across-the-board increases and lavishing money on the poor.

Unhappily for Echeverría, his programs to provide a better life for the underprivileged were badly timed. Rising food costs boosted inflation at home, while world recession cut export markets. In 1976, the government found its deficit soaring over \$2 billion and its overall debt rising from \$13 billion to \$24 billion.

Troubled by Echeverría's uncertain response to the fiscal crisis, speculators began to withdraw their capital from Mexico. During his last three months in office, Echeverría had allowed the overvalued peso to float down by a thumping 50 percent, from 12.50 to 25 to the dollar, but he had failed to minimize financial turmoil. Even the government's negotiation of three loans totaling \$2.6 billion did not restore economic confi-

⁴Latin America, *op. cit.*, p. 210.

⁵Ibid., p. 210.

⁶For a complete analysis of the Mexican political system, see Kenneth F. Johnson, *Mexican Democracy: A Critical View* (Boston: Allyn and Bacon, 1971), pp. 113-147.

⁷"Mexico Faces Life," *Newsweek*, December 6, 1976, p. 27. Echeverría was the Minister of the Interior during the presidency (1964-1970) of Gustavo Díaz Ordaz when he gave the order for the troops to shoot on rioting students.

dence. The Bank of Mexico finally had to stop most trading in pesos in order to protect its dwindling supply.

Although Echeverría was able to trim inflation from 22 percent in 1974 to 10 percent in 1975 (as Treasury Minister, López Portillo was credited with the accomplishment), the figures for 1976 were alarming. Inflation soared, approaching an annual rate of 25-30 percent. To make things worse, at the end of 1976, the government announced a substantial increase in the price of gasoline, electricity and phone services. With perhaps half of the 63 million population living either outside or on the fringes of the economy and a population growth rate of 3.5 percent a year, Echeverría was leaving the Mexican economy in shambles.

Echeverría's last major act as President was to expropriate 1 million acres, formally turning them over to landless peasants. The transfer of title had been long planned, but Echeverría's timing, the night before inauguration, exacerbated the divisions in the country. Previously, on November 19, 1976, the President had expropriated another 250,000 acres of farmlands in the northwest for distribution to 9,000 peasants. Thus, Echeverría established himself as a latter-day Lázaro Cárdenas, the leader of the left and the defender of peasants and workers, leaving the new President to face the consequences.

Encouraged by the decree, some 8,000 farm families led by jubilant, flag-waving, union leaders invaded more than 100,000 acres in Sonora's lush, irrigated Yaqui Valley. At the same time, powerful industrialists known as the "Monterey Group" led many businessmen in the northwest to close their doors in protest against the expropriation. At first, violence seemed likely. Consequently, rich farmers donated some 30,000 acres to the squatters, who agreed to relinquish the occupied farmland.

In a move to please the landlords, who had come to the conclusion that López Portillo was reversing the agrarian policies of his predecessor, federal Judge Carlos de Silva y Nava nullified the former President's expropriation of the 250,000 acres and ordered that the land be returned to its former owners. A legal battle followed, and a decision as to whether private farms are subject to expropriation under the country's agrarian reform law was not expected until the beginning of 1977.⁸ But Echeverría's radical land reform

⁸The *New York Times*, "Mexico Sets Land-Dispute Talks," December 15, 1976, p. 4. See also from same newspaper, "Mexican Peons Vow to Hold Land," December 9, 1976, and "Mexican Seizure of Land Annulled," December 14, 1976.

⁹*Latin America*, vol. 10, no. 46 (November 26, 1976), p. 361.

¹⁰*The Christian Science Monitor*, "First Task for Mexico: Revive Peso," November 22, 1976, p. 5.

¹¹*Latin America*, vol. 10, no. 48 (December 10, 1976), p. 381.

¹²*Ibid.*, December 10, 1976, p. 382.

had clearly touched a nerve that electrified Mexico's 4 million land-hungry peons, who vowed to hold other occupied farms.

Facing this social and economic instability, the new President had to revive the peso. Just before Echeverría's exit, the peso had hovered at 26.50-27.50 to the dollar, selling, and 24-25.50, buying.⁹ In his inaugural speech, López Portillo's message was clear: "Mexico would have to undergo a period of economic austerity and mend its relations with the U.S., which had sunk to the lowest point in decades during Echeverría's courtship of the third world."

Because of confidence that López Portillo, an economist, was well equipped to cope with his predecessor's financial legacy, the peso received a boost in his first week in office, when it was pegged at 20-21 to the dollar. Some currency controls were imposed, and it was believed that López Portillo might officially repeg the peso at 22 to the dollar in an effort to stop the wild speculation that has occurred since September 1, when Echeverría first devalued the peso.¹⁰

The favorable vote of confidence given the new President was also reflected in the support he received from both the left and the right when he named his Cabinet. No doubt the favorable reaction was intensified by the replacement of the two officials who had masterminded the disastrous devaluation policies: Finance Minister Mario Ramón Beteta, who is to run Somex, a government investment group; and Ernesto Fernández Hurtado, the president of the Banco de México, who was replaced by Romero Kolbeck, a man trusted by the private sector.¹¹

López Portillo's new Cabinet, balanced between some of his close associates and established politicians, provided some clues to his policies. He chose mostly middle-aged technocrats, who were neither too far to the left nor to the right.

The key post of Minister of the Interior went to Jesus Reyes Heroles, former head of the PRI and one of the country's foremost liberal thinkers. Santiago Roel became the Minister of Foreign Affairs. He is a little-known lawyer and long-time friend of the new President, with no experience in diplomacy. The new Finance Minister is Julio Rodolfo Moctezuma Cid, perhaps the President's most trusted assistant. Carlos Tello Macías is the new Minister of Planning and Federal Budgeting. Together with José Andrés Oteyza (industry) and Fernando Solana (commerce), he will be responsible for economic policies and government investment.

Reconciliation with the private sector was achieved by giving Cabinet posts to men associated with the conservative presidencies of Gustavo Díaz Ordaz and Lucas Alemán (both of whom failed to applaud at the mention of Echeverría's name in the inaugural address).¹² Emilio Martínez Manatou, Minister of the Presidency during the Díaz Ordaz administration, was

named Minister of Health, and Carlos Hank Gonzalez, sacked by Echeverría in 1971, was given the portfolio of Regent of the Federal District. The creation of the Consejo Nacional de Fomento Turístico places tourism policy in the hands of Alemán and his group.¹³

The official labor movement, the Confederación de Trabajadores Mexicanos (CTM), was also pleased by the promise of a union bank, and by the appointment of several union leaders to government posts. Pedro Ojeda Paullada was appointed Labor Minister and Hugo Cervantes del Río became head of the Comisión Federal de Electricidad, the electricity industry.¹⁴

López Portillo renewed the government commitment to improve rural conditions, asking the peasants "forgiveness for not having lifted them out of their miseries," and adding, "I also say to these people that the entire country is aware and ashamed of our backwardness in this respect."¹⁵ But by appointing Jorge Rojo Lugo as Agrarian Reform Minister, Portillo made it obvious that he would deal with the peasants in ways sharply different from those of Echeverría. Rojo Lugo, who prefers to settle land disputes through negotiation rather than by decree but tends to favor the landless, was quick to point out that the new government would not tolerate land seizure or the continued existence of estates larger than the legal size of 247 acres.

Other Cabinet members were: Félix Galván López (defense); Francisco Merino Rabago (agriculture); Emilio Mujica Montoya (communications and transportation); Pedro Ramírez Vásquez (public works); Porfirio Muñoz Ledo (education); and Guillermo Rossell de la Lama (tourism).¹⁶

Mexican Ambassador to the United States José Juan de Olloqui was named Under Secretary of Foreign Affairs. Former Finance Minister Hugo Margain was named as his successor. Margain, who has been Mexican Ambassador to London since 1973, had already served as Ambassador to the United States between 1965 and 1970.

GOVERNMENT REFORM

After naming his Cabinet, López Portillo stressed the need for administrative reforms. He called for probity and personal honesty in government. There

¹³When Mexico voted in favor of the U.N. resolution that equated Zionism with racism, an estimated \$200 million was lost in revenues from the tourist industry (mostly because of American Jews' boycott).

¹⁴*Latin America, op. cit.*, December 10, 1976, p. 382.

¹⁵*The Christian Science Monitor*, "Mexico Embarks on Austerity Course," December 3, 1976, p. 3.

¹⁶*Excelsior*, "Quien es quien en el gabinete," 1 de diciembre, 1976, pp. 13-14.

¹⁷For an elucidation of "patronage" in the Mexican political system see: Salvatore Bizzarro, "Mexico Under Echeverría," *Current History*, vol. 66, no. 393 (May, 1974), pp. 213-214.

¹⁸*The Christian Science Monitor*, "Peso Devaluation Adds to Mexico's Jobs Crisis," November 26, 1976, p. 18.

was skepticism, however, as to whether the Mexican system could function with an efficient, honest administration, instead of an administration that dispenses patronage.¹⁷

Portillo's calm tone as he called for unity and launched his country on an austerity course, coupled with his Cabinet appointments and his administrative reforms, pleased businessmen. After six years of Echeverría's polemics, they were looking forward to a new regime. The new President also called for greater justice through economic development which would favor the poor. But the key to social and political stability remained economic growth.

A TROUBLED ECONOMY

Harsh statistics underlined López Portillo's toughest job: finding work for the 750,000 people who enter the job market each year. Government figures are vague, but estimates of unemployment run to more than 25 percent. According to the Employers Center of Mexico City, the unemployment rate in the capital reached 17 percent in 1975, compared with 15.3 percent in 1970 and 11.1 percent in 1960. Only 10 million Mexicans have full-time jobs and unemployment is rising at an annual rate faster than the population growth rate: 3.8 percent as opposed to 3.5 percent.¹⁸

Rural areas are the hardest hit; the average Mexican peasant works only 100 days out of the year, usually in a menial job that provides little relief for him and his family. López Portillo told his supporters that "the best way to distribute the wealth was to create more sources of work." But this is extremely difficult since the public and private investment needed to provide more jobs is estimated at \$10 billion a year, "a crushing burden for a nation whose total gross national product is only \$80 billion."

After more than 20 years of generally satisfactory operations in a country whose currency was fixed and stable, businessmen have had to adjust abruptly to two major devaluations since September, 1976, a highly uncertain floating rate, and a serious lack of domestic credit. Moreover, in the unchecked inflationary spiral that caused the peso's undoing, both foreign and domestic entrepreneurs noted the absence of adequate capital

(Continued on page 130)

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"With unemployment increasing and hundreds of thousands of field hands moving illegally into the United States, the crisis nature of Mexico's annual population increase has become evident even to those in presidential circles who had flaunted their machismo."

Mexico's Population Pressures

BY MARVIN ALISKY

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A housewife in a poor neighborhood in Mexico City paused in her daily cleaning chores to tune in radio station XEW. It was 12:30 noon and time for the daily episode of "María la Olvidada," the Monday-through-Friday half-hour soap opera produced by the government's Red Nacional (National) Network, a taped programming service attached to the Ministry of Gobernación (Internal Affairs).

The heroine, María, was working in a factory with her lover, Juan Carlos, who made her pregnant. María quit her job to have the child and Juan had married her. María finds out that Juan has other children and she blurts out her sorrow to her doctor at the free clinic.

Maria: Why does Juan flaunt the children of that other woman? Why does he play with my feelings?

Doctor: María, that's how we show we are "macho" . . . virile males. "Macho" is not the same thing as "man." For a Mexican male, the more women he has sexually, the more macho he feels when these women have children.

Maria: But why? Is Juan Carlos emotionally sick?

Doctor: Not just as an individual. It's society which is sick, with values which corrode men's souls. This spiritual sickness can't be seen when a man looks in the mirror.

Maria: How do Mexican men get that spiritual sickness?

Doctor: By treating a woman as an object and by fa-

thering many children, because deep inside themselves, men feel insecure. . . .

So ended another installment in the weekday soap opera that began on July 12, 1976, and ended on October 1, some 60 episodes later, after preaching through dramatic dialogue each midday that Mexican women should take a contraceptive pill when they and their mates do not have the money to care for many children.¹

For the first time since daily broadcasting came to Mexico in 1923,² a dramatic series has directly attacked "machismo," the cult of male virility which is proved by the impregnation of females, either one's own wife or sweetheart or any other consenting female.³

María Elena Bécerril, a young feminist and talented broadcast dramatist who won a government contest for a writer for the script, was the author of "María the Forgotten One." The series was produced by the National Population Council (Consejo Nacional de Población), a government entity created by the General Law of Population promulgated in December, 1973.⁴

The series was first aired during the July-September period, over XEW in Mexico City and its affiliates in provincial cities in a network of a half dozen powerful repeater transmitters that cover some 30 percent of the potential daytime audience. It was preserved on tape and in November began its rerun over a station in the port city of Lázaro Cárdenas in the state of Michoacán, where female listener reactions will be surveyed.⁵

Subsequently, the series will be rerun over a station in Guanajuato state. After that, the Population Council and the Ministry of Gobernación will decide whether a new series should be produced, or the old series extended with new episodes, or a different format attempted to popularize the use of contraceptives among Mexican women. By mid-1977 or late 1977, a broadcasting plan to aid the government's campaign for family planning should be established.

On television, on Wednesday evenings on Channel

¹Bernice Rodríguez González, C.P.T. (Certified Public Accountant), administrator of the Project of Communications about Population of the National Population Council, interviewed in Mexico City, November 8, 1976, by Marvin Alisky.

²Marvin Alisky, "Early Mexican Broadcasting," *Hispanic American Historical Review*, November, 1954, pp. 513-526.

³Octavio Paz, *The Labyrinth of Solitude: Life and Thought in Mexico* (New York: Grove Press, 1961), pp. 31, 35-36.

⁴Ley General de Población (México, D. F.: Editores Mexicanos Unidos, 1975), p. 8. Found in article 6 of chapter I of the law promulgated December 11, 1973, replacing the 1947 federal statute on population and immigration.

⁵C.P.T. Rodríguez González to Alisky, November 8, 1976.

13—a government-owned station in Mexico City—the question-and-answer program, "Gracias, Doctor," draws a large audience. Physicians like Elias Canales Pérez, chief of the endocrinology department of the Social Security Obstetrics Hospital Number 1, or José Manuel Septién, director of gynecology for the Ministry of Public Health and Welfare, answer questions telephoned in or mailed in; the volume of mail for the series was steadily growing from mid-1976 to early 1977.⁶

On radio, the daily morning program, "Dialogue without Fear," with host Guillermo Ochoa over the XEW network, also fields many questions about birth control. In October and November, 1976, both the "Thanks, Doctor," video program and the less-specialized radio forum, which accepts nonmedical questions, several times answered this question from women listeners: "How long must I take birth control pills in order not to have more children?"

On several occasions, televiwers asked the doctors on Channel 13, "Why can't the physicians at the Social Security or the Health Ministry perform an abortion?" It is always carefully explained to these women that abortions are still illegal in Mexico, but they are urged to ask about a contraceptive pill or an intrauterine device or a sterilization operation free at government centers.

The frank confrontation of Mexico's population explosion by the mass media represents a break with Mexican tradition, which until four years ago inhibited even the mention of topics like birth control in public.

FAMILY PLANNING CLINICS

Not until April, 1972, did any Mexican government official discuss the need for family planning, even though the steadily decreasing death rate and the high birth rate in the 1950's and 1960's had brought social and economic problems that political leaders chose to ignore.⁷ Population imbalance strains distribution and communication facilities. Approximately half of all Mexicans live in 14 percent of the national territory, the central region. Industrial payrolls are bunched in the metropolitan areas of Mexico City (including the suburbs of Tlalnepantla in the state of Mexico), Monterrey, and Guadalajara, even though the government has been able to encourage some industries to move to Chihuahua, Ciudad Juárez, Querétaro, Puebla, León,

⁶El Nacional (Mexico City daily newspaper owned by the dominant Institutional Revolutionary party or PRI, in partnership with the government), October 2, 1976.

⁷Marvin Alisky, "Mexico versus Malthus: National Trends," *Current History*, May, 1974, pp. 200-203.

⁸Consejo Nacional de Población, *Méjico Demográfico Brevario 1975* (Méjico, D. F.: CONAPO, 1975), p. 12.

⁹Samuel Ramos, *Profile of Man and Culture in Mexico* (New York: McGraw-Hill, 1963), pp. 54-68; Evelyn P. Stevens, "Mexican Machismo," *Western Political Quarterly*, December, 1965, pp. 848-857.

Veracruz, and the government's own heavy-industry complex, Ciudad Sahagún.

More than half of mountainous Mexico rises more than 3,200 feet above sea level. This tortuous terrain conspires with a climatological spectrum ranging from swamps to deserts, which reduces farms under natural-rainfall cultivation to 7 percent of the total land, though hydroelectric projects have added irrigated acreage. Not more than 12 percent of Mexico's surface is cultivated for crops or grazed by livestock.

In 1975, the Bureau of the Census estimated a birth rate of 41.7 per 1,000 inhabitants and a death rate of 7.6 per 1,000 inhabitants, giving the republic an annual net increase in population of 3.36 percent.⁸ In November, 1976, the National Population Council estimated the 1976 rate of growth at 3.6 percent, but demographers at both government and private agencies have told the author the rate might really be 3.8 percent, and some of them guessed that had the government not launched its family planning program in 1973 and maintained vigorous propaganda for "responsible parenthood" ("Paternidad Responsable"), the yearly net increase in population might have soared to the cancerous rate of 4 percent.

The papal encyclical against birth control had little impact in predominantly Catholic Mexico, where Church and State had initiated a century of mutual antagonism in the 1810-1821 period. Cross and Crown had been entwined during the colonial era of Spain; those Mexican patriots who fought for political independence against the King of Spain in a sense took on the Church hierarchy in the bargain. The federal constitution of 1917, which secularized education and ended political advantages for high-placed clergy, introduced a decade of bitter strife between laical and religious leaders. But the one public policy supported by Church and State was opposition to birth control. Church leaders opposed contraception on theological grounds, and political leaders did so because of the social and psychological foundation of Mexican society, which emphasized machismo.⁹ Thus, President Luis Echeverría, like his predecessors, publicly rejected any government program for birth control.

Eventually, high-level advisers made Echeverría understand the crisis posed by Mexico's rapidly increasing population. Millions of teenagers have been pounding on the doors of wholesale and retail firms and on the symbolic gates of ranches and farms, struggling for jobs. By the 1970's, the government's slogans about the progress achieved by the institutionalized revolution and the dominant Institutional Revolutionary party—true enough in general terms—no longer could calm the anxieties of millions living at or below the poverty level. A warning sign was the student rioting between July and October, 1968. The far left momentarily made common cause with thousands of disillusioned students in Mexico City to provoke a con-

frontation with the government on the eve of the opening of the Olympic Games. Mexico was the first Latin American nation to host the international Olympics, and the anxious government met the students' challenge with force, at a cost of at least 200 dead, hundreds wounded or injured, and some 2,000 dissidents jailed until a political amnesty released them in small groups in 1971 and 1972.¹⁰

With unemployment increasing and hundreds of thousands of field hands moving illegally into the United States, the crisis nature of Mexico's annual population increase became evident even to those in presidential circles who had flaunted their machismo. On April 27, 1972, President Echeverría reversed his position 180 degrees. He saved face by assigning his Undersecretary of Public Health to make the announcement that the government was embarking on a national program of family planning.

The first family planning center, a pilot project, was established in January, 1973, with ties to Ministry of Health and Welfare (*Secretaría de Salubridad y Asistencia* or SSA) clinics, Social Security system (*Instituto Mexicano de Seguro Social* or IMSS) clinics, and the Foundation for Population Studies (*Fundación de Estudios de la Población* or FEP), a private organization established in 1965. The FEP is financed by the International Planned Parenthood Federation, the Ford Foundation, the United Nations Fund for Population Activities, the International Union for the Scientific Study of Population and, to a small extent, by grants from the Mexican SSA and IMSS. When the government began to open family planning centers (Centros de Planificación Familiar or CPF) in 1973, the private chain of 55 FEP family planning clinics provided the skeleton framework upon which it could build an official system.

Luisa María Leal, a dynamic woman who was trained as an attorney and was adept at administration, was appointed director of the National Population Council, and she in turn made sure that her staff included professional demographers, so that the SSA, the IMSS, and other agencies involved could select locations for CPF that would reach those communities most critically in need of information and free contraceptive

¹⁰The National Student Strike Committee made public demands calculated to provoke confrontation and some Marxists in the ranks of the rioters went armed to the October 2, 1968, confrontation at the Plaza of the Three Cultures. But the government had overreacted vigorously to the early riots, which had begun on July 26 and which had recurred in August and September. See John Womack, Jr., "Unfreedom in Mexico—Government Crackdown on the University," *The New Republic*, October 12, 1968, pp. 27-31; see, also, Kenneth F. Johnson, *Mexican Democracy: a Critical View* (Boston: Allyn and Bacon, 1971), pp. 148-164.

¹¹Typed reports at the National Population Council headquarters, Reforma 136, examined by Marvin Alisky, November 5, 1976.

devices. On December 1, 1976, President José López Portillo named former Social Security director Jesús Reyes Heroles as Minister of Gobernación, and then Reyes named Leal as one of the three Undersecretaries of Gobernación, with the implied mandate to continue the ministry's help for the National Population Council and other activities. Deputy Minister Leal will probably encourage the periodic opening of new CPF's in poverty-level neighborhoods and in working class communities, where free distribution of the contraceptive pill remains the key factor in family planning. As of early November, 1976, the number of fully functioning family planning centers in Mexico reached 2,757; the government's goal by the end of the first quarter of 1977 was 2,800.¹¹

A CENTER IN MEXICO CITY

An analysis of the public life of any nation—and especially its political system— involves the study of popular attitudes, including attitudes in the big city slums and the rapidly urbanizing towns that have made Mexico more urban than rural, if "urban" centers are defined as communities of 2,500 or more.

In November, 1976, this writer rode the Mexico City subway to the end of the line in the northwestern quadrant of the Federal District, and then took a bus into the heart of the Azcapotzalco community, into poverty-level neighborhoods. Serving the area is a Family Planning Center, not far from SSA and IMSS clinics that dispense contraceptive pills.

On a bench near the entrance, I sat down to engage a man in casual conversation. He seemed to be between 35 and 40 years of age, and his hands bore the callused badge of manual labor. A woman from a nearby stand brought him beer which I paid for, explaining that I was treating him to refreshments so that I could talk to him about Azcapotzalco. Without any prompting on my part, he told about the village he and his wife had come from and the friends he had made in the big city. He worked only half days, but he would never return to his native village, even for a full-time job.

Did others in his family work? Certainly, from his wife on down to the youngest child not in school, a boy of ten. Was he waiting for information at the Family Planning Center? Certainly not!

He continued to describe in obscene language the bureaucrats in the government who would like to tamper with his manhood. He banged his beer can on the bench, asserting that he had gonad power, and had fathered 11 children with his wife since their wedding when he was 18 and she was 15. In addition, he boasted, he had fathered three children with his girl friend and a son with a girl he had known a few years earlier.

Inside the CPF, I asked the clerk on duty if any of the men of Azcapotzalco utilized the center. She said that 90 percent of those who used the CPF were wom-

er. While I was talking to her, a woman entered and was handed a bulletin of information. She said, "Never mind the propaganda. I want to get the pill." She was told where the SSA clinic dispensing station was located. A neighbor and friend of hers, who had waited at the entrance, did not herself make a similar bold request, but held in her hand the widely distributed booklet with the bright green cover and the picture of a pink infant drawn in comic relief, and the large-lettered title, "Mejor Vida para la Población de México" ("Better Life for Mexico's Population"). The simple 16-page booklet of cartoons urges family planning so that children can be fed and can have a chance to find jobs. It was published by the National Population Council in November, 1974. The CPF clerk said that many women who come in for the first time bring either a leaflet saying "Paternidad Responsable," or an advertisement from a newspaper, or a green booklet that some friend or neighbor has passed along. Some women say that they have heard about the CPF on the radio or from another woman where they work.

In rural and small-town settings, the centers draw far fewer daily inquiries than the metropolitan areas of Mexico City, Monterrey, Guadalajara, Ciudad Juárez, and Tijuana. The Population Council keeps no master list of daily contacts, but each CPF keeps a log of the number of persons served each day. Judging from the incomplete data available, there is a discernible correlation between the size of the city and the traffic in and out of family planning centers. In general, the larger the city, the more visitors to centers.

COMMUNICATION ON TWO LEVELS

The government's campaign to make Mexicans aware of the need to practice family planning is carried on at two levels. At the popular level, aimed at working class adults without much formal education and at middle class adults without higher education, the National Population Council circulates leaflets, radio and television announcements, advertisements in magazines and on billboards, and various pamphlets and booklets typified by the aforementioned *Better Life* green booklet.

At the leadership and academic level, the Council distributes reports like *La Revolución Demográfica*, first published in May, 1975. This 156-page paperback book is pocket size. On its cover is a photograph of a crowded street scene taken on San Juan de Letrán

¹² Including conferences in San José, Costa Rica, and Bucharest, Romania. Also included are the remarks of Gobernación Minister Moya Palencia at the first formal meeting of the National Population Council on March 27, 1974, in Mexico City.

¹³ "Primeros indicios del descenso de la natalidad en México," *Boletín AMEP*, April-June, 1976, pp. 2, 4.

in Mexico City. Unlike the pamphlets aimed at mass circulation and filled with cartoons in color, *Demographic Revolution* has no illustrations; it includes the 1973 speeches by President Echeverría and Minister of Gobernación Mario Moya Palencia calling for a new population law, the congressional response to their proposals, and the Population Law of 1973.

Mexican Population Policy, a 154-page paperback collection of official statements on population policies made by government leaders in 1974 at various international meetings, has also been compiled for the use of government administrators, civic leaders, writers, educators, and others who help shape public opinion.¹²

Helping Luisa María Leal coordinate various government and private programs for expanding family planning is Gerardo Cornejo, director of the Foundation for Population Studies. The Mexican Population Association, incorporated as a non-profit or civil society (Asociación Mexicana de Población or AMEP), the umbrella group for all agencies in Mexico concerned with population problems, is also helping the government make Mexicans aware of the need for birth control.¹³

AMEP brings together economist Victor Urquidi, sociologist Luis Leñero Otero, and José Manuel Septién. Urquidi, president of AMEP, is also president of Mexico's elite graduate school, the Colegio de México; thus the association has direct links with leading social science researchers. Leñero Otero, an AMEP board member, is president of the Mexican Institute of Social Studies. Dr. Septién, cited earlier as a Channel 13, "Gracias, Doctor" panelist, is gynecology director of the SSA. Foundation head Cornejo serves as AMEP secretary. Since its founding in 1974, AMEP has published a quarterly journal, the *Boletín AMEP*.¹⁴

POLITICAL DECISIONS AND ECONOMIC WOES

The Bank of Mexico reported on January 17, 1976, that the nation's inflation rate for 1975 was 11.3 percent, reduced from the 20.6 percent reported in 1974. By November, the projected inflation rate for 1976 had risen to 24 percent, leading to disastrous changes in purchasing power. For more than 22 years, from April, 1954, to September, 1976, the peso had remained stabilized at 12.50 to the dollar. When it was allowed to float on September 1, the peso rate sank to 19.90 to the dollar; by late October, it was down to 26.50 to the dollar. With the inauguration of a new President December 1, and the departure of President Echeverría, a measure of psychological relief was translated into domestic and foreign confidence in Mexico's ability to recover from the Echeverría policies. Thus, the peso began to rise slightly, to 20 to the dollar in December.

Echeverría had spoken vaguely of the problem of underemployment. His successor, José López Portillo, immediately admitted with refreshing candor that

Mexico faced terrible problems, ending the Echeverría fiction that "things are not so bleak as the imperialistic enemies of Mexico contend." Dropping the leftist verbiage, López Portillo stated simply that Mexico had an unemployment rate of 26 percent, that one Mexican adult in four was unable to find work, and that the solution was not the emigration of millions of farm hands to the United States, often illegally. For the first time in six years, a Mexican leader said publicly that the government's deficit spending must be cut at least 15 percent, if the peso were to recover its strength.¹⁵

Echeverría had apparently forgotten that his mandate had been to lead Mexico, not the third world. He spent weeks at a time posturing in quest of the post of United Nations Secretary General, anticipating the retirement of Kurt Waldheim. On many occasions, Echeverría tried to sound more doctrinairely socialist than any Asian or African leader, to project an image he believed would gain him the coveted United Nations post. But when the Security Council voted, Waldheim was returned to a second term, 14 to 0.

Echeverría's frequent carping about United States policies discouraged Americans planning Mexican vacations.¹⁶ When he ordered Mexico to support the Communist and Arab blocs in the United Nations vote condemning Zionism, he also dismayed many prospective American tourists, both Jewish and non-Jewish. Thus, the number of American tourists spending money in Mexico contracted just when the number of jobless Mexicans traveling northward into the promised land of Yankee affluence expanded. By posturing in the area of international politics, Echeverría shrunk the tourist population, which had long been a source of national income. And by running the government printing presses to add additional paper currency not backed by gross national product earnings, Echeverría contracted the economy when additional jobs were needed.

¹⁵Novedades, December 3, 1976; *El Universal*, December 4, 1976.

¹⁶When the United States deported 20,000 Mexicans who were illegally in the United States (out of an estimated 6 million Mexicans illegally residing inside its borders), Echeverría termed the airlifting repatriation "inhumane treatment," as if the United States government could not exercise sovereignty within its own territory.

¹⁷Martin C. Needler, *An Introduction to Latin American Politics: The Structure of Conflict* (Englewood Cliffs, N.J.: Prentice-Hall, 1977), p. 160.

¹⁸Centro de Estudios Económicos y Demográficos, *Dinámica de la Población de México* (México, D. F.: El Colegio de México, 1970), pp. 2-3, 5-11, 117-120, 212-254. See also Benjamin Viel, *The Demographic Explosion: the Latin American Experience* (New York: John Wiley & Sons, 1976), pp. 226-233, in which the first full-length study of Latin America's population problem from a Latin American perspective stresses Latin America's unique demographic history as the source of its prevailing attitudes ignoring birth control needs.

Mexico must now accept a painful period of austerity. International loans are coming due. But whatever the level of spending, the government's support of family planning will probably remain vigorous. Echeverría used to brag about being the father of eight children; until he was forced to announce the family planning program by the sheer necessity of circumstances, he boasted that his government would never encourage birth control.

In contrast, López Portillo is the father of only three children, and indicated his strong support for the government's birth control program the day he was inaugurated. Thus he elevated Population Council director Luisa Leal to the post of Deputy Minister of Gobernación, making her the first population expert to hold a top job in the Gobernación Ministry and the first woman to be a Deputy Minister in a politically powerful ministry. During the past 18 years, previous administrations put women into the sub-Cabinet in the education ministry.

STRENGTHS AND WEAKNESSES IN FAMILY PLANNING

Modern political systems require citizens who can be mobilized to meet national crises. As Martin C. Needler points out, unlike many third world nations in Latin America and in the Old World, Mexico must be evaluated in a developmental perspective. He asserts: "For Mexico . . . the concept of development fits like a glove . . . it [has] a system designed to blur differences, to disguise clashes of interest, to preserve outward calm . . ."¹⁷ But the government's ability to require "guided democracy" allowed the Diaz Ordaz administration (1964-1970) to ignore the pleas of enlightened policy formulators to confront the specter of a population explosion while there was still time to cope with the consequences and allowed the Echeverría leadership to postpone the launching of a family planning program until 1973.¹⁸

High level government officials only relatively re-
(Continued on page 131)

Marvin Alisky founded the Arizona State University Center for Latin American Studies and was its director for seven years. He was a Fulbright professor at the National University of Nicaragua and the Catholic University of Lima. In 1960, he was United States delegate to the UNESCO Conference in Quito, Ecuador. He has taught at the University of California at Irvine, Indiana University, Princeton and Trinity University, and has been on the Arizona State University faculty since 1957. He is the author of *Governors of Mexico* (El Paso: UTEP Press, 1965), *Uruguay: a Contemporary Survey* (N.Y.: Praeger, 1969), *Peruvian Political Perspective* (Tempe: CLAS, rev. ed., 1975), and coauthor of *The Foreign Press* (Baton Rouge: LSU Press, rev. ed., 1970).

In Mexico, "glaring contrasts of poverty and luxury... are the rule rather than the exception."

Income Inequality in Mexico

BY DAVID FELIX

Professor of Economics, Washington University

FEW countries have a more unequal distribution of income than Mexico. Of a mid-1960's sample of 43 less-developed countries (LDC's), Mexico's Gini index, a widely used measure of overall income inequality, was the fourth highest; in only 8 countries were the shares of national household income of the top 5 percent of households greater and the shares of the poorest 40 percent of households smaller than in Mexico.¹ Other comparisons confirm the fact that the glaring contrasts of poverty and luxury observed by the visitor to Mexico are the rule rather than the exception.²

Did the leveling Mexican Revolution leave no lasting egalitarian imprint on Mexican society? The question seems patently ridiculous. With a national output per

head over three times that of 1910, Mexico today is surely a much richer and more productive society than pre-Revolutionary Mexico. And with the land seizures of the Revolution, the land reforms of the post-Revolutionary regimes, the extension of popular education, and the accelerated industrial growth since World War II, the benefits of increased productivity are surely now more broadly shared and socioeconomic mobility are far greater than they were before the Revolution.

Closer study reveals, however, that the material lot of the poorest 40 percent of Mexican families has changed negligibly since 1910; that although material gains since the Revolution have been substantial for the upper 60 percent of families, the relative gains have been far greater for the top 20 percent; and that the post-Revolutionary sub-period of remarkably rapid economic growth—1940-1975—was also one of rising concentration of income and erosion of the earlier egalitarian impact of the Revolution.

GROWTH CYCLES SINCE THE 1880's

Mexican real gross national product (GNP) per capita rose at an annual rate of around 1.7 percent from 1895 to 1975, national output per head quadrupling over the 8 decades.³ Within this span, three sub-periods are detectable, two of rapid and one of sluggish growth.

In 1895-1910, the latter half of the prolonged Porfirio Diaz dictatorship, GNP growth per head averaged around 1.6 percent per year, with scattered data indicating that the growth rate extended back to the mid-1880's. That is, output per head probably rose around 50 percent between 1885 and 1910. During the next three decades, the annual growth rate fell to 0.9 percent, and the output per head rose only 30 percent. World War II marked the onset of a second economic boom. Between 1940 and 1975, aggregate GNP rose at 6 percent per annum and, despite Mexico's postwar population explosion, annual output per capita grew at 3 percent. In 1975, output per head was 2.8 times that of 1940.

The two sub-periods of rapid growth share common

¹The Gini index is one minus the area under the country's cumulative income curve divided by the area under the hypothetical complete equality cumulative line. The limits to the index are thus 0.0 (complete equality) and 1.0 (complete inequality). In recent years, the index for advanced economies, mixed market or socialist, has been in the 0.25 and 0.4 range, and for LDC's in the 0.2 to 0.7 range. Mexico's index in the 1960's was above 0.6.

The comparisons combine data for 42 countries in Felix Paukert, "Income Distribution at Different Levels of Development: A Survey of Evidence," *International Labour Review* (August-September, 1973), pp. 97-126, with Mexican income distribution estimates in David Felix, "Trickling Down in Mexico and the Debate over Long-Term Growth-Equity Relationships in the LDC's" (1974 mimeo).

²E. G. Irma Adelman and Cynthia T. Morris, *Economic Growth and Social Equity in Developing Countries* (Stanford: Stanford University Press, 1973); Montek S. Ahluwalia, "Income Inequality: Some Dimensions of the Problem," in Hollis Chenery et al., *Redistribution with Growth* (London: Oxford University Press, 1974), pp. 3-37.

³Estimates for pre-1940 are taken from Enrique Perez Lopez, "The National Product of Mexico, 1895 to 1964," Institute of Latin American Studies, *Mexico's Recent Economic Growth* (Austin: University of Texas Press, 1967), pp. 23-44. Estimates for 1940-1968 are taken from Roger D. Hansen, *Mexican Economic Development: The Roots of Rapid Economic Growth* (Washington, D.C.: National Planning Association, 1971), p. 41. The 1969-1975 estimates are taken from recent issues of the Banco de Mexico, *Informe Anual*.

features. Both were periods of increasing concentration of income and wealth, and both terminated with external balance of payments crises. The Porfiriato boom was sparked by foreign investments in railroads, mining, agriculture and industry, and by public works financed in part by foreign credits. When the growth of mineral exports slackened during the 1900-1910 decade, Mexico's balance of payments became increasingly fragile and the GNP growth rate flagged. The 1940-1975 boom at first was internally financed, but its extension after 1960 also relied increasingly on foreign investment and credits, leading to the dramatic collapse of the exchange rate in 1976. The growth rate slackened somewhat in the first half of the 1970's and will probably be drastically diminished in the second half.

In other respects, however, the two periods differed significantly. The material gains of the Porfiriato

⁴Fernando Resenzweig, "El Desarrollo Económico de México de 1877 a 1911" *El Trimestre Económico*, vol. 33 (Julio-Setembre, 1965), pp. 405-454.

⁵For a summary of land ownership and consumption data of the Porfiriato, see Hansen, *op. cit.*, pp. 22-28.

⁶For 1940-1950, one has to work from indirect measures: trends of real wages, rural-urban labor force shifts, and wage and profit shares of national income. However, there is general consensus among Mexican economists that income distribution worsened in the war decade and that the dramatic profit rise was disproportionately garnered by the top five percent of households. Cf. Ifigenia M. de Navarette, *La Distribución del Ingreso y el Desarrollo Económico de México* (Mexico, D. F.: 1960), pp. 55-56; Morris Singer, *Growth, Equality and the Mexican Experience* (Austin: University of Texas Press, 1969), p. 138.

For 1950-1970, five direct personal and/or household income size surveys blanketing the period are available from population censuses and Banco de Mexico household sample surveys. Adjusted for differences between lower and upper class consumer price trends (prices of upper class consumer goods rose more than lower class items in the postwar period), these show that between 1950 and 1969 it was the relative income share of the top 80th-95th percentiles of households that rose most. The shares of the 95th-100th and 60th-80th percentiles held about constant, those of the 40th-60th declined about 8 percent and those of the poorest 40th declined about 32 percent. Cf. Felix, *op. cit.* The overall 1940-1975 trends cited in the text combine guesstimates for the 1940's with estimates for the two postwar decades.

⁷Juan Ramirez Hernandez, Pedro Arroyo y Adolfo Chavez V., "Aspectos Socioeconómicos de la Alimentación en México," in Miguel S. Wionczek, ed., *La Sociedad Mexicana*, 2d. ed. (Mexico, D. F.: Fondo de Cultura Económica, 1973), p. 300.

⁸Felix, *op. cit.* The Gini index for the Porfiriato was estimated by taking the national per capita income estimate for 1910 of US\$190 in 1969 prices and assigning the 1960's per capita income of the poorest 20 percent of Mexicans [around US\$60] to the poorest 60 percent of the Porfiriato population. This left 80 percent of 1910 income for the top 40 percent of the population. To push to the extreme of plausibility, half of the 1910 national income was assigned to the top 5 percent and 65 percent to the top 10 percent of the population. The result is a Gini index for 1910 of .605, which about equals Mexico's Gini index for the 1960's.

boom went almost entirely to the top 20 percent of families, with the top 5 percent gathering the lion's share. This, at least, is what the trends of wage rates, literacy, internal migration and land ownership imply. In neither agriculture, industry nor services was there a perceptible rise of real wages during the boom. Nor was there a relative shift of labor from lower wage agriculture to higher wage urban employment; both grew proportionately.⁴ The literacy ratio remained frozen through the period at around 20 percent of the population; per capita production of basic foodstuffs declined; and the growth of land concentration was phenomenal even by Latin American standards.⁵

The gains from 1940-1975 growth, on the other hand, flowed in varying degree to the upper 60 percent of Mexican households. The share of national income of the upper 80th-95th percentiles of households rose as much as that of the top 5 percent, and even the 40th-80th percentiles, whose share of national income fell moderately, had, nevertheless, a substantial increase of real income. Only the poorest 40 percent had no real income gain and suffered a severe drop of income share.⁶

The greater trickling down is also manifested in various social indicators. Average life expectancy, which fell during the Porfiriato boom, rose sharply during 1940-1975. Both daily caloric and protein intake per head rose almost one-third between 1940 and 1969, bringing Mexico almost to the minimum (Food and Agriculture Organization) norms for less-developed countries.⁷ The percentage of literates had risen by 1969 to three times the Porfiriato level.

UNEVEN INCOME DISTRIBUTION

But trickling down during the 1940-1975 period was also grossly uneven and incomplete, with steadily widening income gaps between rich and poor, northern and central-southern rural regions, city and countryside, plus a rising rate of underemployment and open joblessness. These trends reflect a flagging of the reformist zeal of the 1930's and the polarizing dynamics of private market forces.

In 1950, the average income of the top 5 percent of the households was 22 times (that of the next highest 5 percent was 5.2 times) the average income of the poorest 40 percent of the households. By 1969, the ratios had risen to 34 and 10.7, respectively. The 1960's Gini index, 16 percent higher than its 1950's average, had rebounded to the level of the late Porfiriato.⁸

Major urban-rural dualism is also reflected in the income statistics. In 1963, the three metropoli, Mexico City, Guadalajara and Monterrey, with 16 percent of the population, received 34 percent of the national income, whereas the 45 percent of Mexicans on farms and in villages of under 2,500 inhabitants received only 25 percent of national income. Per capita income of the

metropoli was thus nearly 4 times that of the rural population.⁹

Rural inequality, land reforms notwithstanding, has been greater than urban inequality in postwar Mexico; the deepest poverty and malnutrition are to be found in the rural regions of the south-central and southern states rather than in the more visible urban slums. In the "barracas periféricos" (shantytowns) of the cities, daily protein intake averages 17 percent higher than in the central and southern rural regions, although all are well below the national average.¹⁰ Of the 55 percent of the Mexican population suffering from chronic malnutrition, the majority are rural.¹¹ Of the 40 percent of the labor force estimated in recent years to be underemployed or unemployed, around two-thirds are rural.¹²

Educational and social mobility data also document the pervasiveness of socioeconomic dualism. In 1964, one-fourth of the economically active population had never attended school; another 35 percent had completed only one to three years of primary schooling. In effect, around three-fifths of the economically active were functional illiterates. Another 27.5 percent had completed only four to six years of primary education, whereas, at the upper end, 8.6 percent had two or more years of secondary schooling and 3.4 percent had received six or more years of formal professional training.¹³

*An ejido is a government-owned farm operated by 20 or more farmers, ejidatarios.

⁹Carlos Tella, "Un Intento de Analysis de la Distribución Personal del Ingreso" in Wionczek, *op. cit.*, p. 212.

¹⁰Ramirez Hernandez et al., *op. cit.*, p. 313. The authors' data on preschool age malnutrition also show moderately lower rates for urban shantytowns than for central-southern rural regions, *ibid.*, pp. 316-17.

¹¹*Ibid.*, p. 318.

¹²Edmundo Flores, "A Donde va la Economía Mexicana," Banco de Mexico *Comercio Exterior*, vol. 20 (January, 1970), pp. 22-23; Donald W. Baerresen, "Unemployment and Mexico's Border Industrialization Program," *Inter-American Economic Affairs*, vol. 29 (Autumn, 1975), pp. 79-80.

¹³Secretaría de Industria y Comercio, *La Población Economicamente Activa de México, 1964-65, Tomo 7* (México, 1965), p. 76.

¹⁴Jose Luis Reyna, "Occupational Mobility: the Mexican Case" in Stanley M. Davis and Louis W. Goodman, eds., *Workers and Managers in Latin America* (Lexington, Mass.: D. C. Heath, 1972), chapter 18. Reyna's data are drawn from the government survey cited in the previous footnote.

¹⁵Antonio Carrillo Flores, "El Desarrollo Económico de México: Reflexiones Sobre un Caso Latinoamericano," *Cuadernos Americanos* (Septiembre-Octubre, 1948), p. 48.

¹⁶John B. Ross, *The Economic System of Mexico* (Stanford: Institute of International Studies, 1971), pp. 11-15; Hansen, *op. cit.*, pp. 30-31, 57-59; Rodolpho Stavenhagen, "Social Aspects of Agrarian Structure in Mexico," *Social Research*, vol. 33 (Autumn, 1966); Tella, *op. cit.*, p. 220.

¹⁷Ross, *op. cit.*, pp. 53-55; Hansen, *op. cit.*, p. 78.

¹⁸Jurgen R. Lotz and Elliot R. Morss, "Measuring 'Tax Effort' in Developing Countries," *International Monetary Fund Staff Papers* (November, 1967), pp. 478-499.

In 1964, almost half the economically active were in agriculture, hunting and fishing and, of these 99 percent were sons of fathers with the same occupations. Of the urban manual workers, less than 15 percent were employed in a higher occupation than their fathers, while over 27 percent had moved downward inter-generationally. Upward mobility was pervasive, however, among the top 23 percent of the economically active, nearly two-thirds of whom had moved upward inter-generationally (to clerical or sales positions, or from these to professional and managerial slots).¹⁴

THE CHANGING DIRECTION OF PUBLIC POLICY

Behind the increased income concentration and widening dualism of the 1940-1975 boom were public policy shifts from social reformism to growthmanship, as well as polarizing dynamics of the marketplace. The rationale was delicately stated by Antonio Carrillo Flores, Minister of Finance and leading policymaker in the war and early postwar year governments.

The conviction that the decisive thing is to produce more has defeated the generous, although vague, decision of achieving a fair distribution of wealth. No standard of justice, however high, will give Mexico a better standard of living if the collective poverty of the country is not conquered first.¹⁵

Given Mexico's state-guided capitalism, the shift to growthmanship has had a widespread impact. In agriculture since 1940, well over half the additions to publicly irrigated acreage have gone to middle and large size private farms; ejidal* land grants have diminished progressively; and the enforcement of land tenure laws has weakened to allow the illegal formation of large private holdings, the leasing of ejidal lands, and the conversion of ejidatarios into *de facto* wage workers on their land.¹⁶ In finance, long-term credit, government as well as private, in the postwar period has gone overwhelmingly to large private and public enterprises. The annual allocation from the central government's budget to the Banco Ejidal, virtually the sole source of long-term credit to ejidos, fell from 4 percent under Cárdenas (1935-40) to less than 1 percent under his successors, and the proportion of ejidatarios receiving government credit declined from 30 percent in 1935 to 14 percent in 1960.¹⁷ In the 1960's, Mexican income taxes averaged 3.3 percent of GNP, and less than half was derived from corporate income taxes. A 1960's comparative ranking of "tax effort" in 52 developing countries put Mexico near the bottom of the group.¹⁸

With public investment contributing nearly half of total fixed investment in postwar Mexico, the burden of adjustment has fallen on educational and other social expenditures. Educational outlays per capita in constant prices rose in the postwar period at a diminishing rate, with an increasing proportion directed toward secondary and higher education. The post-Revolutionary focus on rural education as an equalizing force, particularly strong under Cárdenas, was deflected by

his successors toward meeting the demands of the middle and upper classes. In 1970, only 26 percent of the rural primary schools went beyond the first four grades, and only 9 percent of all rural pupils completed the four grades. On the other hand, the rising share going to higher education has serviced the wealthiest 15 percent of Mexican families.¹⁹ Welfare rhetoric of the ruling political party notwithstanding, in 1967 only 15 percent of the Mexican wage labor force was covered by the government's Social Security Institute, and only 12 percent of the force was rural.²⁰

The reorientation of policy toward growthmanship helped achieve a faster rate of growth, but it did not move toward the "conquering of collective poverty." Instead, it enabled market forces to convert initially large inequalities of access to finance, human capital, and political influence into polarizing trends of income and wealth in agriculture, industry and commerce.

By 1960, the 1.4 percent of farms more than 250 acres in size held 37 percent of all farm land; 4,000 estates of over 12,500 acres held 56 percent of all non-ejidal land, while farms of less than 12.5 acres, half of all farms, held less than 12 percent of all farmland.²¹ Landless rural labor rose 43 percent between 1950 and 1960, while average annual workdays per wage worker fell from 194 to 100. The proportion of adult rural laborers owning land fell from 42 percent in 1940 to 33 percent in 1970.²²

Output and labor productivity trends favored land concentration and rising underemployment. Farms of 12.5 acres and up—14 percent of all farms—accounted for 68 percent of the 1950-1960 increase of farm output, with most of the 68 percent coming from the largest 4 percent of farms in that size class. Average labor

¹⁹Pablo Latapi, "Las Necesidades del Sistema Educativo Nacional" and Rodrigo A. Medellín, "La Dinámica del Distanciamiento Económico Social en México" in Wionczek, *op. cit.*, pp. 330-358, 385-413. At the National University of Mexico 66 percent of the students came from the wealthiest 5 percent of families and 91 percent from the wealthiest 15 percent. Latapi, *op. cit.*, p. 340.

²⁰Ross, *op. cit.*, pp. 92-93.

²¹Hansen, *op. cit.*, p. 76; Tella, *op. cit.*, p. 218.

²²Hansen, *op. cit.*, pp. 78, 94.

²³Solon Barraclough and Jacobo Schaatan, "Technology Policy and Agricultural Development" *Land Economics*, vol. 49 (May, 1973), pp. 178-180.

²⁴Tella, *op. cit.*, pp. 216, 221, 236-237.

²⁵Richard S. Newfarmer and Willard F. Mueller, *Multinational Corporations in Brazil and Mexico: Structural Sources of Economic and Noneconomic Power*, Report to the SubCommittee on Multinational Corporations of the Committee on Foreign Regulations, U.S. Senate, 94th Congress, 1st Session (Washington, D.C.: Government Printing Office), 1975, Table 3-4, p. 53.

²⁶Private Mexican corporations are closely held, with public stock trading of minor importance.

²⁷Hansen, *op. cit.*, p. 34. No serious data on relative proportions are available.

²⁸Frank Brandenberg, *The Making of Modern Mexico* (Englewood Cliffs, N.J.: Prentice-Hall, 1965), p. 242.

productivity of the farms over 12.5 acres rose 105 percent, whereas collectively they absorbed only 7 percent of the decadal increase in the rural labor force. Farms of under 12.5 acres, whose labor productivity fell 12 percent, absorbed 47 percent of the labor increase, and the remaining 46 percent were absorbed by the ejidos, whose labor productivity rose 12 percent.²³

High urban concentration is evidenced by the statistics on industry and commerce. In 1965, plants with an annual output of over (US) \$4,000,000, 0.3 percent of all industrial plants, produced 47 percent of industrial output. Plants with less than (US) \$800 annual output, 98.5 percent of all plants, produced 24.8 percent of industrial output. Half the sales of the commercial sector in 1960 were made by 0.6 percent of the commercial establishments. And with unionization centered in the large firms, inter-firm wage differentials also widened significantly after 1940.²⁴

The census data on plant size are crude indicators of wealth concentration, since many large firms are multi-plant, foreign or state owned, while large family-owned conglomerates of banks, real estate, industrial, commercial, mineral, and agricultural holdings have sprung up since 1940. Of the 100 largest non-financial firms in 1972, only 37 were owned by private Mexican capital, 33 were multinational subsidiaries, and the rest were state-owned, whereas of the next 400 largest non-financial firms, the private Mexican ownership share rose to 55 percent and the state share fell to 13 percent.²⁵ The firm size data suggest, therefore, that the plant size data may overstate the degree of private concentration of industrial wealth. On the other hand, the family-owned conglomerates, about which no systematic data are available, suggest the firm size statistics underestimate private asset concentration.²⁶

As to the social origins of the Mexican very rich, many are descendants of Porfirio merchants, industrialists and landowners; others descend from Revolutionary generals, post-Revolutionary politicians, and European refugees of the 1930's, while some emerged from small mercantile and artisan establishments and commercial farms.²⁷ Politics remains an important path to wealth. "The ambitious Mexican who rises to the top of the politico-bureaucratic heap rarely needs more than 6 years to accumulate sufficient capital to retire for life."²⁸ University education is an important key to at least moderate affluence via the professions and the corporate and government bureaus.

(Continued on page 136)

David Felix's main professional interests are economic development theory and economic history. He has done field research in Argentina, Chile and Mexico, has been a consultant to the United Nations, Economic Commission for Latin America, and has published articles on Latin American inflation, industrialization and technological choice.

"The largesse that characterized Echeverría's policy in public spending is clearly visible in the field of education."

Mexican Education: Echeverría's Mixed Legacy

BY GIORGIO PERISSINOTTO.

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THE recent monetary and financial crisis of the United Mexican States occurred, not coincidentally, as President Luis Echeverría Alvarez was entrusting the government of the country to his life-long friend and former Secretary of Finance, José López Portillo. The crisis brought to the fore the painful reality of a developing country that has over-extended its financial capability in a dramatic effort to increase and improve basic services.

With inflation at a vertiginous annual rate of 25 percent, unemployment at 30 percent, and the peso still buffeted around the money market in search of its own value, an angered and disillusioned population blames the mercurial leadership of ex-President Echeverría. His supporters point out that Echeverría is responsible for the grandiose gesture of expropriating large landholdings in the northwestern states for distribution among the landless. Critics retort that the futile edict was a maneuver to ingratiate himself with the *campesinos* and thus to remain in the Mexican political arena, which quickly dispatches former Presidents to anonymity.

The ill-timed magnanimity—one week before Eche-

verría left office—has since been declared illegal by federal and state judges, and most of the land has been returned to the wealthy *latifundistas*. The court action is a formal rejection of the expropriating policy of the former government. Analysts are also quick to emphasize that the lavish spending of the Echeverría administration increased the foreign debt to a point not warranted by the economy.

The largesse that characterized Echeverría's policy in public spending is clearly visible in the field of education. Not a last-minute spending binge, the unrestrained indulgence has its roots in December 1, 1970, when the now defunct but not yet buried Echeverría administration officially began its tenure. Educational reform rests on two basic laws: the 1973 Federal Law of Education and the 1975 National Adult Education Law.¹ In terms of raw data, the annual budget increase for the Secretariat of Education (Secretaría de Educación Pública, SEP) has been phenomenal:²

BUDGET FOR THE SECRETARIAT OF EDUCATION

1970	Mex\$ 8,000 000 000
1971	Mex\$ 9,445 000 000
1972	Mex\$ 11,760 000 000
1973	Mex\$ 15,698 000 000
1974	Mex\$ 20,693 000 000
1975	Mex\$ 30,706 000 000
1976	Mex\$ 40,000 000 000

Tables 1-4 illustrate the dynamics of the system.³

In his last State of the Nation Address on September 1, 1976, President Echeverría reported that in the 1976-77 school year, the national school population will amount to 16,600,000 (27 percent of the total population); to this figure one must add another million enrolled in the Adult Education Plan.

ELEMENTARY AND SECONDARY EDUCATION

Echeverría claimed that the 12,600,000 students who enrolled at the elementary level in September, 1976, constitute 100 percent of the 6-12 age group and represent a 37 percent increase over the 1970-1971 school year.⁴ One must regard this percentage increase with

¹The text of these edicts can be found in the official government gazette, *Diario Oficial*, November 29, 1973, and December 31, 1975.

²In order not to complicate the report by converting Mexican dollars (Mex\$) to United States dollars at different exchange rates, I shall give all figures in Mex\$, noting that until August, 1976, the rate was 12.50 Mexican pesos to one dollar. At the time of this writing, it is about 28 to 1.

³The data in this study has been extrapolated and adapted from a variety of official government sources, including *Política Educativa. Acciones Más Relevantes 1970-75* (Mexico City: SEP, 1976); Victor Bravo Ahuja, *Educación 1970-76* (Mexico City: SEP, 1976); *Informe de Labores* (Mexico City: SEP, 1976). It is not uncommon, however, to discover discrepancies—at times major ones—among reports.

⁴Luis Echeverría, *State of the Nation Address*, September 1, 1976. *Hispanoamericano*, June 21, 1976, is not in agreement and reports a 31 percent increase in elementary school enrollment. It is interesting—yet baffling—to point out that the journal article is a factual report of an official government meeting on educational reform that was attended by Echeverría himself.

TABLE 1: THE EDUCATIONAL SYSTEM OF MEXICO

			AGE	GRADE
			26	20
OPEN SYSTEMS	NOR- MAL SUPE- RIOR TEACHER TRAINING (EDUCATION NORMAL)	GRADUATE STUDIES (MAESTRÍAS Y DOCTORADOS)	25	19
		COLLEGE (LICENCIATURA)	24	18
			23	17
			22	16
		SECONDARY EDUCATION (EDUCACIÓN MEDIA SUPERIOR)	21	15
			20	14
			19	13
			18	12
		SECONDARY EDUCATION (EDUCACIÓN MEDIA BÁSICA)	17	11
			16	10
		ELEMENTARY EDUCATION (EDUCACIÓN PRIMARIA)	15	9
			14	8
			13	7
		KINDERGARTEN (PREESCOLAR)	12	6
			11	5
			10	4
			9	3
			8	2
			7	1
			6	
			5	

caution, since it does not necessarily reflect an improvement: more children go to school simply because there are more children. A better measure to evaluate the increase is reflected in table 1. Since the enrollment increase is greater than the population growth, one must conclude that it was projected to absorb the rapid demographic growth (3.5 percent annually) as well as the residue of educationally deprived children under 15 years of age whose deficiencies are traced to previous administrations. The size of the residue is difficult to ascertain and rarely—if ever—surfaces in public addresses by government officials. When it does surface, it is usually camouflaged in government syntax and modified by approximative adjectives. A study made by the Secretariat of Education reports that in 1971 the residue was 1,800,000 people and that it was reduced to 1,200,000 in 1975.⁵ One should reflect that this conservatively estimated lag still constitutes 10 percent of the total elementary enrollment and has been decreasing at the rather modest rate of 120,000 students per year. Even though one can reasonably and realistically expect that 95 percent of the Mexican schoolchildren now attending classes will not receive a college degree but will drop out at different levels, there is at least hope that the educational reform will keep them in school longer. The few students that are now completing their college education are reminders of the dismal statistics of the late 1950's, when they

⁵ *Política Educativa, op. cit.*

⁶ *Los fracasos escolares* (Mexico City: Fondo de Cultura Económica, 1974), p. 7.

⁷ Again, *Hispanoamericano*, June 21, 1976, reports a 72 percent increase. Echeverría's figures were obtained from his last State of the Nation Address.

began their elementary education: only 56 percent ever reached the second grade, 25 percent finished their elementary education, 11 percent began the secondary cycle, 8.5 percent finished it, 4.2 percent enrolled in the college preparatory curriculum and 3.3 percent were admitted to the university. Little more than 1 percent graduated.⁶

Secondary education in the Mexican educational system is divided into two three-year cycles and is viewed as a terminal vocational system, especially at the lower level. The vocational nature of some specialization, however, makes it possible for students to continue to the upper levels of a field of endeavor. Thus, a youth interested in pursuing a career in agricultural science can stop at the secondary level and obtain a diploma as a technician in the field or can continue up to and including the university level.

At the secondary level, statistics of enrollment change radically. Echeverría reported publicly that 81 percent of the elementary school graduates enter the secondary cycle; but one must be made aware that secondary enrollment for the 1976-1977 school year is 2,852,000, which is still painfully low, compared to the elementary enrollment of 12 million.⁷ This fact points to the inescapable—but never reported—conclusion that the drop-out rate at the elementary level is still around 70 percent and the drop-out rate is not much lower at the secondary level.

TECHNICAL EDUCATION

Considerable effort has been directed toward developing technical education because of the overall plan to change the economic and industrial makeup of the Mexican state and to exploit its natural and human resources. Technical education has a pyramidal structure that begins at the post-elementary level in the form of vocational technical schools (Escuelas Técnicas), whose summit is the university-level Technological Institute. Under previous regimes, technical education was reserved for the elite—generally for the children of industrialists and entrepreneurs—and, perhaps even more important, was unavailable in rural areas.

When Luis Echeverría came to office in 1970, there were 289 technical institutions in Mexico; there are now 1,301. This radical expansion made it necessary to establish the Council on the National System of Technical Education (Consejo del Sistema Nacional de Educación Técnica) in November, 1975, to unify and coordinate curricula pertaining to technical education. The specific area of technical education for industrial application enlarged from 98 institutions in 1970, to 234 in 1976. Worthy of note are the Regional Technological Institutes (Institutos Técnicos Regionales), founded to make available to the provinces the higher technical know-how necessary for development and to decentralize the crowded National

TABLE 2: ENROLLMENT (in thousands)

LEVEL.	70-71	75-76	Increase	% Increase
Preschool	422.7	538.0	115.3	27%
Elementary	9,248.3	12,066.0	2,817.7	31%
Lower Secondary	1,219.8	2,094.0	874.2	72%
Upper Secondary	308.1	652.6	344.5	112%
Teacher Education	53.0	86.8	33.8	64%
Higher Education	255.5	490.0	234.1	86%
TOTAL	11,507.4	15,927.4	4,419.6	38%

TABLE 3: INDICATORS OF EDUCATIONAL ABSORPTION (in thousands)

	1975	1970
Total Population	60,400.0	50,670.0
Total Enrollment	15,913.9	11,507.8
ABSORPTION	26.3%	22.7%
6-12 Age Group	12,134.0	10,246.7
Enrolled in Elementary School	12,066.0	9,248.3
ABSORPTION	98.0%	90.0%
Elementary School Graduates	1,106.0	850.7
ABSORPTION to Secondary Level	82.0%	72.0%

TABLE 4: ELEMENTARY SCHOOL TEACHERS

	70-71	75-76	Increase	% Increase
Federal Teachers	120,150	182,116	61,966	51%
State Teachers	54,361	76,000	21,639	40%
Private Teachers	19,413	16,325	-3,088	-16%
TOTAL	193,924	274,441	80,517	41%

Polytechnic Institute (Instituto Politécnico Nacional, IPN). The number of Regional Institutes has grown from 12 in 1970 to 47 in 1976, with a total enrollment of 70,000. Their graduate programs and research projects are rapidly gaining national and international recognition.

SPECIALIZED TRACKS

Particular emphasis has been placed on the development of curricula for students interested in cattle-raising and agriculture (Escuelas Agropecuarias). This area had been neglected traditionally in the false belief that in a predominantly agricultural nation, one need not foster the "natural" tendencies of its inhabitants. In 1970, there were 70 agricultural schools; in 1976,

693 schools at the secondary level offer this specialized track, 76 institutes offering a technician's diploma, and 17 technological institutes at the university level where one can major in disciplines like Agricultural Engineering and Rural Development.

The fishing industry has also been developed through the establishment of specialized schools (Educación Pesquera) in areas heavily dependent upon marine resources or with the potential for responsible exploitation of the sea. Considering Mexico's 10,000-kilometer shoreline and the 1,500,000 hectares of coastal lagoons, and the fact that Mexico's territorial waters extend 200 nautical miles from the littoral, the founding of 31 schools specializing in this area is a modest yet promising beginning.

TABLE 5: CAPFCE CONSTRUCTION BUDGET

1971	Mex\$ 783,970,000
1972	Mex\$ 1,985,830,000
1973	Mex\$ 2,347,030,000
1974	Mex\$ 3,034,730,000
1975	Mex\$ 4,044,600,000
1976	Mex\$ 3,643,840,000
Total	Mex\$ 15,840,000,000

**TABLE 6: CLASSROOMS, LABORATORIES,
WORKSHOPS, AND SERVICE STRUCTURES**

1945-70	56,800 units
1971	9,612
1972	16,917
1973	16,330
1974	18,011
1975	21,492
1976	22,021
Total	104,383
1971-76	104,383

Federal participation in higher education has become an accepted but often resented reality in view of the Hispanic tradition of university autonomy. Federal subsidies to universities amounted to Mex\$ 8,500,000,000 for 1976, a sum that equals the 1971 budget for the whole educational system. Nevertheless, one must remember that by law the federal government does not control the university system. The Organic Law of Education (*Ley Orgánica de Educación*) applies to the lower educational levels, but it does not include most universities, which operate and are regulated by special statutes passed by the federal congress and, in the case of state institutions, by the state legislatures. Most financial support, however—and this fact makes other considerations superfluous—comes from the federal and state governments.

Technical education at the university level rests heavily—with the exceptions noted above—on the National Polytechnic Institute, whose enrollment almost doubled between 1971 and 1976—from a 1971 enrollment of 74,000 to an enrollment of 146,000 in 1976.

The year 1973 saw the creation of the Autonomous Metropolitan University (*Universidad Autónoma Metropolitana*, UAM). Critics charged that the new and large university in Mexico City, whose officials have been recruited largely from government posts,

⁸Luis Echeverría, then Secretary of the Interior, is in many circles held responsible for the bloody show of force.

⁹*Hispanoamericano*, June 7, 1976.

¹⁰The figures for 1976 have been obtained by subtracting the cumulative figure of the years 1971 to 1975 published in *Política Educativa*, *op. cit.*, p. 90, from the total 1971-1976 figures reported by Echeverría in his State of the Nation speech of September 1, 1976. The figure may be inaccurate; if one looks at the 1976 construction table, one must ask how it has been possible to build many more classrooms with much less money.

was founded to divide—geographically as well as ideologically—the highly flammable Mexican student body that has erupted violently and regularly since the Massacre of Tlatelolco in 1968, when hundreds of students were brutally machine-gunned by the army and the police during a political demonstration.⁸ But one might argue that the establishment of the new institution, plus substantially increased support for the state universities, may strengthen the hopelessly overcrowded and perennially strike-plagued National University in Mexico City (*Universidad Nacional Autónoma de México*, UNAM). In spite of the clamor that surrounded its launching, the UAM is hardly a reasonable alternative to the UNAM. Lacking a central campus, the new institution has three branches strategically located at the apices of a triangle: Iztapalapa, Azcapotzalco, and Xochimilco, whose combined enrollment of 8,212 students for 1976 is considerably short of the projected 16,000 for each campus.⁹ But even with the maximum capacity of 50,000, the Metropolitan University will not rival the mammoth UNAM's 140,000 enrollment. In addition to the UAM, three more universities were founded recently: the Autonomous University of Ciudad Juárez in 1973 and, in 1975, its counterparts in Chiapas and Southern Baja California.

CLASSROOMS AND FACILITIES

The government-supported Administrative Committee for the Federal Program of School Construction (Comité Administrador del Programa Federal de Construcción de Escuelas, CAPFCE), created in 1944, has won wide acclaim throughout Latin America for its ingenious prefabricated structures that now house a majority of Mexican schools and are often the hub of social activity in the villages. Faced with a classroom shortage of gigantic proportions—45,000—in 1971, the government launched a massive construction program whose objective was to build 11,000 classrooms a year. By the end of 1976, CAPFCE had erected 104,383 classrooms, laboratories, and workshops, a figure that is double the construction accomplishments of the previous 25 years. Tables 5 and 6 illustrate the dynamics of the CAPFCE program.¹⁰

THE FREE TEXTBOOK PROGRAM

The nation's schools have a clearly recognized ideological function. The federal government—directly or indirectly—controls every aspect of elementary and secondary education. Educational philosophy emanates from government-supported bodies, like the National Technical Council on Education (*Consejo Nacional Técnico de la Educación*) and the National Council for Educational Development (*Consejo Nacional de Fomento Educativo*). All elementary and secondary institutions—federal, state, private—and even some institutions of higher learning use the official textbooks

that are planned, prepared and distributed by the National Commission for the Free Textbook (Comisión Nacional de los Libros de Texto Gratuitos).

The free textbook program implemented by this commission is a major step toward universal literacy and instruction in more advanced and specialized areas. From kindergarten through secondary school and in some extension programs, every Mexican student receives the necessary instructional materials free of charge. In fact, in many villages, the only printed material available is the text distributed by the federal government. The free textbook program clearly elevates the country's educational level; but such an educational policy does not provide much deviation from established and government-approved thought. Educating the masses uniformly is the unstated objective of Mexican educators and politicians. Former President Gustavo Díaz Ordaz's comment on this program makes it clear that the aim of the free textbook program is to instill the proper kind of patriotism:

The free textbook is a right of the Mexican citizen. Its implementation strengthens the unity of public consciousness; let us remember always that Mexico is one country and that, consequently, there can only exist one history of Mexico.¹¹

But in spite of this propaganda function that has been constantly criticized, the program is far from stagnant and self-serving. New books and auxiliary materials are constantly being published: during the Echeverría administration, 156 new textbooks were elaborated and distributed. Although this may seem a modest number compared to the plethora of textbooks available in the United States, one must remember that all schools have the same basic curriculum and that the 156 titles have had printings totaling 542 million copies. Yet the cost was a paltry 2.5 percent of the SEP's budget.

PRIVATE EDUCATION

The increasing participation of the government in education has caused a crisis in the private schools. The panic stems from the 1973 Federal Law of Education, whose revised articles unequivocally affirmed the gov-

ernment's exclusive power over what Mexican children learn and who would teach it to them. Private elementary and secondary institutions and those with open religious affiliations have been submitting their programs to periodic government inspection while organizing themselves into a National Association of Private Schools (Asociación Nacional de Escuelas Particulares) to lobby before the newly created SEP's Office of Private Schools Affairs (Oficina de Trámites de Escuelas Particulares). The future of private institutions in Mexico is not bright. While the number of federal and state elementary teachers have increased substantially—although insufficiently—during the last six years, private educators have been deserting their schools at a worrisome rate. Privately run institutions are backing away from the elementary system and are currently educating only 5 percent of the school population. At the secondary level, private schools have traditionally played a significant role; youths who completed the elementary cycle had done so with considerable economic strain on their poor or even indigent families and therefore reached the domain of the privileged, who sent their children to the best—private—schools. But the expanding public system reaches more and more young Mexicans with quality vocational options that private schools cannot match. At this crucial secondary level, private schools still hold a sizable portion—25 percent—of the student population; but this figure is significantly below the 29 percent of 1970-1971.¹²

ADULT EDUCATION

The increased enrollment in the lower grades and the high drop-out rate of the elementary system have created a very special problem in Mexican education: the undereducated adult. Only 4 million Mexicans (8 percent of the population) have had more than an eighth grade education. The former Secretary of Education, Victor Bravo Ahuja, has stated that there are 24 million Mexican adults with less than nine years of schooling: 10 million did not finish their elementary education, 8 million did not finish the secondary cycle, and 6 million are illiterate.¹³ To raise the cultural level of the population as a whole, in December, 1975, the government launched the National Adult Education Plan (Plan Nacional de Educación para Adultos). This plan has an enrollment of one million for 1976-1977 and embraces the entire country. The decision to initiate a large-scale plan to provide at least an elementary education to every Mexican is politically pragmatic.

(Continued on page 134)

¹¹Quoted in Roberto Amoros, ed., *Ideas políticas del Presidente Gustavo Díaz Ordaz* (Mexico City: Editorial Ruta, 1966), pp. 268-69. On the topic of education as a vehicle to mold national character, see Giorgio Perissinotto, "Educational Reform and Government Intervention in Mexico," *Current History* (May, 1974), pp. 208-211, 226; and Josefina Vázquez de Knauth, *Nacionalismo y educación en México* (Mexico City: El Colegio de México, 1970).

¹²José Antonio Carranza, *Revista SEP*, July, 1976, pp. 9-14.

¹³*Hispanoamericano*, March 15, 1976. The same official stated in a public address in the state of Michoacán and reported in *Hispanoamericano*, June 28, 1976, that there are 30 million Mexicans with less than 9 years of schooling. The 10 percent illiteracy figure is, in all probability, much higher.

Giorgio Perissinotto has spent considerable time in Mexico and has actively participated in government-sponsored educational programs. He is currently teaching in the Department of Spanish and Portuguese at the University of California, Santa Barbara.

"The role of Mexican women has been extremely limited, because of traditional cultural patterns and ignorance, complicated by the economic problems that plague the whole nation," writes this specialist. "Nonetheless, women in greater numbers are now allowed to participate in the economic and political process."

Women in Mexican Society

BY VICTORIA JUNCO MEYER

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THE most significant accomplishments of the twentieth century are those that enhance human dignity and justice. Among them is the liberation of women, which involves half the world's population. The liberation of women runs parallel to the liberation of their countries, because their condition is intimately tied to the condition of the nation in which they live. Consequently, one of the greatest revolutions in any country is the revolution that improves the living conditions of women; such a revolution is a good index to measure a country's cultural development.

With regard to the legal status of women, Mexico is one of the most advanced countries in Latin America. Still, tradition is often stronger than law:

... we well know that in order to succeed in achieving a definitive incorporation of women into the progress of the nation, it is necessary, in addition, to banish prejudices and old mental structures reluctant to admit human equality.¹

The constitution of 1917 marked the beginning of the road to the equalization of the sexes. Although it does not specifically refer to women, the first article reads, "In the United States of Mexico *every individual* will enjoy the guarantees that this Constitution grants, which *cannot be restricted or suspended*. . . ." In contrast, the constitution of 1824, the first formal Mexican constitution, reflected the ideas of its times. "Without excluding women expressly, it always refers to *ciudadanos* (citizens) using the masculine form that although generic reveals the mentality of the period."² In 1929, the Partido Nacional Revolucionario promised to help women enter the political arena. Some states (Chiapas,

Sinaloa, Hidalgo and Tamaulipas) reformed their constitutions to allow women to participate in political activities. In 1947, the national government promoted reforms that recognized the right of women to participate in municipal elections.

The full right of suffrage for women finally came to fruition in 1953, when articles 3 and 115 of the federal constitution were amended and the words "man and woman" first appeared in the constitution. Another milestone was reached in 1974 when President Luis Echeverría Alvarez decreed reforms guaranteeing women equal legal rights. At the same time, the individual's right to family planning was legalized, without which no authentic improvement in the lives of women would be possible.

However, no matter how advanced the legislation of a country may be, the letter of the law is not enough to guarantee the effectiveness of its norms, and that is why serious situations, which have to be corrected, still exist.³

Mexican women learn when they are very young that to be a good woman is to be a good mother and wife and that their identity and self-realization depend exclusively on the family. In Mexico, women have always been the reflection of a man—first the father and later the husband—and, they never were considered important on their own. Women were taught that the reasons for their existence were marriage and child bearing and that the highest virtues were self-denial, sacrifice and submission. This standard is the only constant in the life of Mexican women. In a broader sense, however, there is no typical Mexican woman. The differences between rural and urban women and between classes defy generalization.

Maria del Carmen Elú de Leñero, who has studied women and the Mexican family in the Instituto Mexicano de Estudios Sociales, says that,

In Mexico, as in other Latin American countries, it is overly simple to speak of "a culture." It is better to speak of a superposition of cultures in a continuous but unfinished process of

¹*Año Internacional de la Mujer. Documentos para los Maestros* (México: Secretaría de Educación Pública, 1975), p. 15.

²Marta Morineau, "Situación Jurídica de la Mujer en el México del Siglo XIX" in *Condición Jurídica de la Mujer en México* (México: Facultad de Derecho, UNAM, 1975), p. 42.

³Ifigenia M. de Navarrete, *La Mujer y los Derechos Sociales* (México: Oasis, 1969), p. 42.

acculturation, in which all elements have not yet merged into one.⁴

In Mexico, there is a coexistence of cultures, from the most primitive and pretechnical cultures that take advantage of the most advanced technological resources. Elú de Leñero explains that we can recognize three stratified subcultures in Mexico's social system: the folk or indigenous, mainly rural; the traditional—rural or urban; and the modern, a distinctive urban subculture. It is important to describe the characteristics of each of these subcultures, because they correspond to distinctive values, and they influence the patterns of behavior for women as well as for men.

The ideal values of the folk or indigenous subculture are basically those derived from a sacred, fatalistic syncretism in which man depends on his environment and on forces that are alien and beyond his control.⁵

In the folk subculture, the roles of men and women are "naturally" defined; the family or the clan is the basis of the social structure. It has been estimated that 12 to 15 percent of the Mexican population live under the values upheld by this subculture.

The traditional subculture is more prevalent in rural areas but is also found in urban areas. This is a very static culture whose ideal is that each generation should follow the norms of the previous one. Authority lies in the church and the state, which are sometimes in conflict. Male and female roles are perfectly differentiated. Kinship is fundamental in this system; the semi-extended family constitutes the productive unit. Perhaps 50 to 60 percent of the Mexican population lives in a traditional subculture.

The modern subculture is characterized by an ethic of freedom of conscience based on individual responsibility. Science and technology replace the authority of the church, and life is secularized. Achievement rather than ascription is the basis of social status and women's work is valued in terms of personal fulfillment. Aware of the population explosion, this subculture favors family planning.

MERGING SUBCULTURES

The three subcultures have existed successively in almost all the Western world. However, in Mexico they coexist and are so interwoven that it is difficult to find a pure or ideal cultural type. There are population groups in which some cultural characteristics

are more prevalent, but there are also groups that reflect all the merging shades between one subculture and another, as is always true in a dynamic society in transition.

In the subcultures, the life of the indigenous peasant woman is one of extremely hard, physical work. "She is so used to oppression and so alienated that she has no consciousness of her reality."⁶ She works from early morning, sometimes beginning before dawn, until long after dark. Her first obligation is to prepare the family food and to make the family's clothing, but she also has to carry water, gather firewood, do the washing, and take care of the animals, often including poultry and goats. She helps her husband in the fields during planting and harvesting; in other words, she is the reserve laborer when the agricultural cycle requires it. If she has any spare time she makes textiles or other handicrafts to sell at the market once a week.

Rearing children is, of course, the woman's primary activity.

She is expected to continue all the domestic tasks while she is pregnant or nursing. Aided by a local midwife, she delivers her children at home, and in more isolated areas she will watch some of them die before they reach one year of age. She must be certain they are fed, clean, clothed, and in school; and it is she who sometimes suffers from malnutrition, sacrificing her own food so they will have enough to eat.⁷

As soon as the daughters are old enough to assume some responsibility, they help with the housework, which is often why they drop out of school.

The poor peasant woman is at the lowest rung of social stratification. Her domestic role is her greatest burden, but it is also her chief compensation, because it is her only source of security and self-identification. The peasant woman is usually illiterate and totally unaware of the world that lies beyond the boundaries of the place where she lives and works.

These peasant women probably will never have the opportunity to choose the role that they could fulfill in life, and thus they accept their fate. Perhaps if they would be offered the opportunity to choose, they would not know how to take advantage of this alternative.⁸

Within this subculture, according to the 1970 census, there is an indigenous, non-Spanish speaking population of 860,000 of whom slightly more than 500,000 are women. If the indigenous bilingual population is included, there are more than 3 million in this group.

There is still another group in the rural population, mostly mestizos, who work the land. While this group has more contact with modern civilization, the patterns of women's conduct in the presence of men is not much changed. Some cultural impacts begin to break the cohesion of yesteryear, including various means of rapid transportation, which make it possible for men to leave their homes in search of work in an urban center or even out of the country. In this situation, a woman loses what little security she has, and she alone

⁴María del Carmen Elú de Leñero, "Women's Work and Fertility," in *Sex and Class in Latin America* (New York: Praeger Publishers, 1976), p. 51.

⁵Ibid., p. 52.

⁶Año Internacional de la Mujer, *op. cit.*, p. 19.

⁷Thomas G. Sanders, "México," in *Common Ground* (American Universities Field Staff, January, 1976), p. 47.

⁸Gloria Salazar Juárez, "Participación Social de la Mujer," *Pensamiento Político* (Junio, 1975), p. 217.

is responsible for raising and feeding the children. The children of such families attend rural schools for at least some years and thus acquire concepts of life different from the traditional values that regulated their parents' lives. Sometimes such families go to the cities to improve their lot. Often the man does not find a job because of his lack of skills, and then the woman must work to support the family. She often does domestic work for a family, does laundry, or sells handicrafts or small products. These women are insecure, because they do not find in their husbands the protection they expected. Even when women support the family they remain submissive to their men. In an urban situation, if the man finds a job, the family enjoys more economic security, but the woman is always afraid that she will lose the little security she has if her husband abandons her.

In a similar situation are the young, single women who leave their families and go to the cities in search of work. Since they lack skills, they usually become domestic servants. This type of employment is essentially a female market (90 percent of the workers are women) that absorbs much of the female labor force (46 percent). Women in this group receive very low salaries, and no labor law protects them. Because of the nature of their work, it is extremely difficult to organize them for their own protection. Nevertheless, domestics are a very important group because they represent the transition between the rural and the urban way of life. Domestic servants often bring relatives to the city to attend school or to find a job. They also free the women for whom they work from domestic responsibilities, thus allowing them to participate in activities out of the home if they so choose.

The middle class urban population is the most difficult group to define because it includes a wide range, from the bureaucrats to the professionals, including all small businesspersons, technical workers and employees in offices and businesses. To define this group in a scientific, objective way is nearly impossible, but all the authorities who describe the traditional pattern agree that in the middle class the traditional stereotype is more explicit than in any other. This is the stereotype publicized by the movies, press and television. Some soap opera portray women in deceptive situations, women whose lives are nurtured by conflicts, sometimes pathological, with the opposite sex. These programs are watched not only by middle class women but also by women in the poorer sections of the city. Women appearing in soap operas and in many radio and television commercials are regarded as archetypes by the poor women.

⁹María del Carmen Elú de Leñero, *¿Hacia dónde va la mujer mexicana?* (México: Instituto Mexicano de Estudios Sociales, 1969), p. 32.

¹⁰Elú de Leñero, *op. cit.*, p. 54.

¹¹Thomas G. Sanders, *op. cit.*, p. 50.

This traditional image of the Mexican woman in the city corresponds to the woman-mother: prolific, loving, full of self-denial, who gives everything and only expects, in exchange, the recognition that she has been a good wife, but above all, an "exemplary mother."⁹

The women in this class are not supposed to work outside the home; this is financially difficult, especially since they tend to live at a higher level than they can afford in order to adopt the life-style of a higher class. Because the urban woman is in charge of the daily expenses, she has to "maintain appearances." In order to save money, probably to send the children to private schools, she makes and mends most of the family clothing. With customs firmly embedded in her life-style she is usually very conservative; she does not want to lose the little she has gained. Many urban women are not even conscious of their oppression. They find it natural to do all the domestic work (with little or no help) and to care for the children.

When women of this group work outside the home they feel guilty and only work to help the family, indicating, at least in an indirect way, that this is not their own decision but the result of circumstances beyond their control. They justify outside work in terms of economic necessity—as part of their legitimate effort to help meet family expenses or to provide additional opportunities for the children.¹⁰ To a great extent, a woman's work is temporary, either until she marries or until her husband finds a better job, but she seldom works for personal interest and self-realization.

Whereas the peasant woman can gain a certain self-esteem by helping in agricultural tasks and earning money selling in the market, her middle-class counterpart is expected to depend totally on what her husband provides. Her job is to remain in the home and create an exemplary domestic environment for her husband and children.¹¹

Throughout her life, someone else's decisions regulate her life in all areas, from her personal appearance, to her choice of civil status, to the work she is going to perform.

Fortunately, the old social mores are changing perceptibly. Social reform has been, at times, a lengthy and acrimonious process, but it is making possible dreams that yesterday seemed impossible. In an increasing number of families, husband and wife share all decisions, from the routine to the most important, including the size of the family and whether the woman should work or not. Of course, these are educated families, and the wife usually has a university degree. When these women work, they work not to help their husbands but because of their own needs for fulfillment and their desire to contribute to society.

There is still another small group, upper class women, who have more free time because they can afford more domestic help than middle class women. Upper class wives are left alone most of the time because their husbands work long hours to maintain their

high living standards. In many cases, upper class children are reared by the mother, who educates them in a manner appropriate to the family's social standing. The life of idleness and inanity of some upper class women has numbed them so that they do not realize that their personalities are deformed. Since they are valued only in their relationship to others, they are generally regarded as reflections of their husbands' accomplishments. While some of them are frequent guests of honor at meetings or hold important titles in social organizations, their prominence derives from associate status—they are wives of prominent men. One section of this group contributes to society by belonging to charitable organizations or doing volunteer work. Some women are sincerely interested in helping the less fortunate. A few conduct their charitable activities efficiently but maternally. Most upper class women derive their security from their social and economic position. They never question the fairness of their privileges. They distrust women who fight for their rights.

WOMEN IN THE FAMILY

It is evident that Mexican women have been assigned roles very closely tied with a distinctive form of family life, and it is obvious that any change that affects their lives will affect the family. It is evident, too, that in a changing society any static structure becomes obsolete; thus, the traditional Mexican family pattern is beginning to change. The family is an important agent of social, political, and cultural change. For the woman to enjoy equal rights, opportunities, and responsibilities, the traditional roles attributed to each sex within the family must be reevaluated in the light of changing conditions. According to recent studies, this is already taking place.

Throughout human history, women have worked in all kinds of occupations. They have tilled the land, cared for cattle, and lived in servitude, but their contribution has always been considered inferior because it has apparently been devoid of commercial value. Some women have joined industry; others the liberal professions; and others the arts.

It is paradoxical that in view of all this female activity, women's work has never been considered central to the social process. . . . Labor history is written about the working man, not the working woman.¹²

To measure the contribution of women in the social

¹²Elú de Leñero, *op. cit.*, p. 48.

¹³Gloria González Salazar, "Participation of Women in Mexican Labor Force," in *Sex and Class in Latin America*, *op. cit.*, p. 183.

¹⁴Navarrete, *op. cit.*, p. 35.

¹⁵Most of the statistics about women's labor are taken from Liliana de Riz "El Problema de la Condición Femenina en América Latina. La Participación de la Mujer en los Mercados de Trabajo. El Caso de México." Paper submitted at the Seminario Regional para América Latina sobre la Integración de la Mujer en el Desarrollo. April, 1975, p. 24.

process, it is necessary to create new and more adequate indicators.

The social position of women is inevitably related to their political and economic position.

Given the fact that work is the major source of income, and is related to access to education and culture as well as to the possibility of influencing, through union and other organizational activities, the mechanisms that determine the distribution of wealth and other important political decisions, women's limited participation in economic activities is responsible for their position of social inferiority and political backwardness in countries like contemporary Mexico.¹³

Women's work has been regarded as devoid of value; thus, the work of a woman at home is not considered as work at all. This is a reflection of the attitude that only work for pay is significant. We tend to measure the value of people by the work they do. For this reason, the participation of women in economic activity is of paramount importance. While doors are open in Mexico for the greater participation of women in productive labor, their participation has been limited because of a complex interplay of factors, some of which are related to traditional cultural values and others to economic and demographic conditions. Fortunately, the social structure is changing, and one of these changes, by necessity, is the role of women.

Thanks to Mexico's rapid economic development, women have increasingly joined the labor force. Economists have proved that industrialization in itself does not improve the condition of women, since they still remain at the jobs with lower pay. Nonetheless, the figures indicate women's increasing participation in the economic sector. In 1930, Mexican women made up an estimated 4.6 percent of the labor force; in 1940, 7.4 percent; in 1950, 13.6 percent; in 1960, 18 percent; and in 1968, 19.2 percent.¹⁴ Women who are neither unionized nor protected by social security are not counted, and the excluded group includes the many women who work as domestic servants. Moreover, 54.1 percent of the female labor force is made up of single women.¹⁵ The civil status of females and the number of children are important variables that influence the work of women; a woman's participation in labor is very closely related to her place of residence, because highly developed areas offer more opportunities for women's

(Continued on page 130)

Victoria Junco Meyer was born in Mexico and received her degree from the National University of Mexico (UNAM). She taught at Vassar College for five years and has been at the University of Wisconsin at Madison since 1963. She is the author of *Gamarra o el Eclecticismo en México* (Mexico: Fondo de Cultura Económica, 1972) and "The Images of Women in Contemporary Mexican Literature," in Joan I. Roberts, *Beyond Intellectual Sexism. A New Woman, A New Reality* (New York: David McKay, 1976).

Under Echeverría, "Both the floating of the peso and the expropriation of the land were astute political decisions," notes this economist, who believes that Echeverría's policies provide "a hard act to follow. . . . The style and the stage management of the magic show have changed. But the rabbits are the same."

Echeverría's Economic Policy

BY CALVIN P. BLAIR

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THE cover of *Siempre!* magazine for December 15, 1976, carried a splendid caricature of Mexico's new President, José López Portillo, as a nattily-dressed magician, pulling rabbits out of a hat. The "magic" was the instant restoration of public confidence in government.

That confidence had been eroded during the preceding six years, as the Mexican government dealt—with reasonable intelligence but limited success—with a series of major shocks from events outside Mexico's control. Often the shocks came from natural disasters: flood, drought or crop failure. More often they came from international economic developments of crisis proportion: worldwide inflation, floating exchange rates, an acute energy crisis, temporary shortages of foodstuffs and raw materials, historically high interest rates and massive shifts of speculative short-term funds, and an old bogey, severe recession in the advanced industrial countries, with attendant large-scale unemployment, wide swings in raw material prices, a sagging demand for Mexican exports, and the fear of renewed protectionist sentiment in the United States and elsewhere.

With some frequency, however, the shocks came from the impulsive actions or the inflammatory rhetoric of President Luis Echeverría. His world tours were regarded as too "expensive," unsettling of United States-Mexican relations, or a diversion of executive attention from national problems. The language he used on occasion to characterize Mexico's business classes and their motives and behavior was provocative, and his acceptance of "ideological pluralism" with respect to Chile and Cuba created anxiety in conservative

quarters. Doubts about Echeverría's commitment to freedom of expression—despite his repeated calls for "dialogue" and "criticism"—turned to near-certainty with the *Excélsior* incident of July, 1976.¹ There were also some long-abiding and deep-rooted sources of disenchantment: official unionism, corruption in high places, and the overwhelming dominance of the Partido Revolucionario Institucional (PRI) with the consequent debility of all other political parties.

But the final blow to "confidence" came when the peso was floated on August 31, 1976. In the near panic that ensued, Mexicans in surprising numbers seemed ready to believe the wildest of rumors: that the government was going to freeze all bank deposits; that the government was going to nationalize the banking system; even that Echeverría was planning a military coup. The central bank's lack of experience in managing a floating currency plus genuine uncertainty on the part of officials as to the best combination of taxes and subsidies heightened a public perception of mismanagement or caprice. The loss of confidence added to the difficulty of dealing with a floating peso.

When Echeverría made a final bold decision to expropriate land for peasants in Sonora and Sinaloa, Mexicans who were already blaming him and characterizing him as "mercurial," "contradictory," or "unreflective" thought he had taken just another arbitrary action.

Quite the contrary. Both the floating of the peso and the expropriation of the land were astute political decisions. The former was long overdue, and the latter temporarily shifted the agrarian conflict to the courts. In both cases, the incoming President was freed from impending, unpopular, "no-win" policy decisions. Thus, in the waning days of his administration, Echeverría became something of a scapegoat for his successor.

López Portillo has a carefully cultivated and apparently well-deserved reputation for organization,

¹The *Excélsior* story is told in *Proceso*, Año 1, no. 1 (November 6, 1976), pp. 12-15. *Proceso* is a weekly news magazine of critical comment organized by those discharged by *Excélsior*. Daniel Cosío Villegas relates Echeverría's running conflict with intellectual critics in *Memorias* (México: Editorial Joaquín Mortiz, 1976), pp. 264-297.

efficiency, and administrative skill. His calm and reflective attitude projected "sincerity," "realism," and "optimism," in sharp contrast to the style of Echeverría. Taking a page from French "indicative planning," he incorporated private businessmen into his programming activities long before assuming office. Caustic insinuations against industry were replaced by appeals to Mexico's need for business talents. Formal agreements between government and business established plans for investment and employment-creation, a procedure that López Portillo took pains to label "democratic planning." Echeverría's rhetorical appeal for a "vast and solid popular alliance" gave way to López Portillo's rhetorical appeal for an "Alliance for Production." A choice of words, a matter of style, and an enormous difference in the targeted audience.

In his inaugural address, López Portillo honed to a fine edge his language of calm appeal to everyone: workers and managers, women, youth, peasants, intellectuals, soldiers, pessimists and even extremists—he asked that this last group "defer the violence that springs from their desire for justice" and "channel their compassion for the weak into constructive activity."² With a deft touch of humility, he also asked Mexicans to believe in his good faith, to let him prove his capacity and reason through service, and to grant him time.

His carefully phrased appeals worked the intended effect—at least for the time being. The reaction was almost euphoric. There were floods of statements of "restored confidence." Hence the image of "magician."

But if anyone deserves that label, it is the outgoing President. Luis Echeverría stood the test of six turbulent years, achieved heroic compromises typical of Mexican "revolutionary" leaders, and began a vast program of great significance for Mexico's long-range development. Of the valid criticisms of Echeverría, only a few can be reasonably directed at his *economic policy*. And a careful look at the program—as distinct from the personality or style—of López Portillo will reveal a great deal of continuity.

STABILITY VS. STRUCTURAL REFORM

Luis Echeverría was the most activist President in recent Mexican history. His program can be compared with those of Franklin Roosevelt or Lázaro Cárdenas. From the outset, he sought to restructure the Mexican economy in a process of "shared development." He hoped that this program would redistribute income in favor of peasants and labor, expand employment opportunities, decentralize industry, improve the balance of payments, and reduce Mexico's dependence on foreign capital and technology.

Every policymaker must face the potential conflicts between "stability" objectives (tolerable levels of

unemployment and inflation) and the developmental objectives of "structural change" (a redistribution of income, major changes in the structure of output and employment, a rising investment coefficient, and reduced external dependence). In every one of his six years as President, Echeverría was plagued by the need to sacrifice some of these objectives.

Under his stewardship, Mexico's gross domestic product (GDP) grew from 419 billion pesos in 1970 to 988 billion pesos in 1975. Because of persistent inflation, the latter figure is equivalent to 552 billion pesos at 1970 prices. This amounts to an average annual growth rate of 5.7 percent in real output, not bad by world standards. But it is well below the 7 percent rate that had prevailed in Mexico during the preceding decade, and the high population growth rate of 3.5 percent meant that real per capita output for the economy as a whole grew by only 2.2 percent per year. Preliminary estimates for 1976 indicate that real growth was scarcely 3 percent, and for the first time in decades, real product per capita may decline slightly. In 1976, it stood at about \$820, which places Mexico at the very upper reaches of the underdeveloped world.

Echeverría's policies kept Mexico's output expanding under very difficult circumstances. His strategy, in general, was to increase public spending to maintain income and employment, with a resultant rapid expansion in the money supply, growing deficits in the federal budget, significant rates of inflation, and growing deficits in the current account of the balance of payments. The President experimented with a genuine austerity program in his first year, 1971, but its social cost was high: real income grew only 3.4 percent, barely equal to the population growth rate. That experience must have convinced Echeverría to opt for the alternative, maintaining aggregate demand through deficit spending.

Between 1971 and 1975, federal government expenditures grew from 41 billion pesos to 145 billion pesos. Revenues failed to keep pace, and the deficit rose from 4.8 billion pesos to 42 billion pesos. The money supply increased from 53 billion pesos to 118 billion pesos at annual rates from 21 to 24 percent. Inflation proceeded at rates of 5.6 percent for 1972 and 12.3 percent for 1973; it accelerated to nearly 24 percent in 1974, falling back to 16.5 percent in 1975. The deficit in the current account of the balance of payments rose sharply, from just over \$900 million in 1972 to \$4 billion in 1975. Preliminary data for 1976 indicate more of the same: inflation at 21 percent, the money supply increase at 27 percent, and a federal deficit of 55 billion pesos to 60 billion pesos.

Echeverría was criticized in liberal quarters for his failure to effect fiscal reforms that would increase tax revenues. In conservative quarters, he was criticized for "excessive" government spending and the growing relative importance of public over private investment.

²"Mensaje de Toma de Posesión" (December 1, 1976). Reproduced in *El Mercado de Valores*, Año 36, Núm. 49 (December 6, 1976), pp. 969-980. An English version appears in *The News*, Mexico City (December 2, 1976), pp. 15-20.

Taxes on business income were imposed cautiously for fear of adverse effects on investment, and generous exemptions were given for reinvested earnings. The "fiscal reforms" of the Echeverría administration consisted largely of tightening up business tax deductions, raising marginal tax rates on personal incomes in the highest brackets, imposing taxes on luxury consumption, raising real estate property taxes, and emphasizing improvements in the administration of budgeting and tax collection procedures. Tax officials admit that there was no basic reform.³

Deficit finance has clearly been inflationary, but it is not clear that government spending has been "excessive." Given the massive unemployment and underemployment in Mexico and the pressures to create jobs of any sort, the social costs of a real recession would include an increase in unrest and political protest, perhaps more violence, increased pressures for illegal migration to the United States, and increased land invasions by campesinos without employment alternatives.

FLOATING THE PESO

The Mexican peso should have been floated long ago. It was significantly "overvalued" by 1964. For long periods of time, however, the central bank maintained a fixed parity with the dollar, thanks to the large supply of foreign exchange coming partly from foreign direct investment and foreign portfolio investment in a variety of Mexican securities, and partly from large official external borrowings. During the period 1964-1972, Mexico maintained inflation rates no higher than rates in the United States, her major trading partner. A stable exchange rate was in order, but its level probably should have been around 18 pesos per dollar, and not the 12.50 then pegged. The sudden acceleration of inflation in Mexico in the period 1973-1976, at very much higher rates than inflation rates in the United States, made the defense of the fixed rate increasingly difficult.

An overvalued currency stimulated the rapid growth of imports and slowed the growth of exports of both goods and services, including the important tourist trade. It also altered relative factor prices, stimulating some Mexican industries to substitute relatively cheaper imported machinery and equipment for relatively more expensive labor, thus reducing somewhat the growth of jobs. A growing trade deficit, mounting external debt service payments, and large and growing payments of income on direct foreign investments added pressure to the balance of payments. The deficit was accentuated in 1974-1975 by the sharp recession in the United

³See the article by Carlos Tello, "Política de Ingresos," and the article by Carlos Vidali Carbajal, "Política tributaria," in *Política Hacendaria y Financiera en México, 1971-1976, Suplemento de Comercio Exterior*, vol. 26, no. 8 (August, 1976), pp. 19-20 and 24-25.

States and elsewhere; the demand for Mexican exports and tourism dropped, and export prices for cotton, cattle, and minerals fell sharply. The rate of 12.50 pesos to the dollar could not be held indefinitely into 1976.

As soon as that fact became obvious, massive shifts of funds from pesos into United States dollars occurred, and the depreciation of the peso was a foregone conclusion, waiting only a propitious political moment, which came on August 31, 1976. The next day, in his annual report to the Mexican Congress, President Echeverría explained the float in careful detail. It is unfortunate that he had not chosen an earlier and politically opportune occasion, either when the United States suspended convertibility in 1971 or when the dollar was devalued again in 1973, when all major currencies began to float, jointly or separately. On either occasion, the political "blame" could have been shifted to the United States and the other dominant financial powers, and the Mexican peso could have taken its rightful depreciated place with the rest of the once-hard currencies.

But a major currency depreciation is a political and emotional as well as an economic issue. In 1971, there was much talk about a prompt return to fixed parities. A Mexican President as politically astute as Echeverría would not complicate his future with an act so unpopular as a peso devaluation. By 1973, Echeverría's other problems were becoming so nearly unmanageable that a devaluation might literally have forced his resignation. Thus there seemed to be no right moment, politically, except the very last minute before leaving office. The day of the President's report to the Congress is a banking holiday, and foreign exchange operations in Mexico are thus suspended. By incorporating the announcement of the float into his studied account of the economy, the float would appear to be carefully considered, perhaps long planned. Possibilities of panic would at least be diminished.

Nonetheless, the delay was costly. The central bank lost enormous volumes of dollar reserves, rumored at \$600 million in the month of August alone. The rest is well-known recent history: after unsuccessfully trying to manage the float at two different levels, the central bank withdrew its support, the foreign exchange market was reorganized, López Portillo was inaugurated, and the peso settled down at very close to 20 to the dollar.

The 20-peso rate seems "about right," in terms of purchasing power parity. The float was a national trauma, but it was a realistic adjustment. And the degree of depreciation was not at all uncommon. If one measures the change in value, with respect to the United States dollar, between the end of 1954 and the end of 1976, the Mexican peso depreciated 37.2 percent; the British pound sterling, 38.9 percent; the French franc, 29.4 percent.

Since the float—and partly because of it—Mexico

has been able to attract large sums for special financing, including a \$963-million package of loans from the International Monetary Fund and \$800 million from an international consortium of private banks.

Under Luis Echeverría, the "Mexicanization" of foreign investment took on a new emphasis and new meaning. The simple notion of majority ownership by Mexican nationals has been supplemented by a more complex concept of increasing both the "bargaining power" of the Mexican participants and the skill and discretion with which the intervening government agencies specify the "rules of the game."

To deal with issues of foreign investment and technology, Mexico adopted three closely related laws: a Law to Promote Mexican Investment and to Regulate Foreign Investment (1973), a Law on the Transfer of Technology and the Use and Exploitation of Patents and Trademarks (1973), and a Law on Inventions and Trademarks (1976).⁴

The investment law created a National Registry of Foreign Investment, designed to collect and record the details of foreign equity and management in Mexico, and a National Commission on Foreign Investment, whose function is to screen and control.

As of December 31, 1975, some 4,083 Mexican business firms had registered because of a significant degree of participation by foreign capital. More than half were in the manufacturing sector. The book value of total foreign direct investment in Mexico on that date was \$4.4 billion, 75 percent in manufacturing, 11 percent in trade, 7 percent in the service industries, and 6 percent in mining. United States capital was dominant, accounting for 72 percent of the total; that share declined from 79 percent in 1970. Slight increases in the relative shares of German, British, Swiss, and Japanese capital indicated some success for Echeverría's efforts to diversify sources; but they might have been the normal result of economic expansion in the capital-exporting countries.

THE MINING INDUSTRY

The Mexicanization of the mining industry is virtually complete. Some 87 percent of the firms in this industry reported a minority position for foreign owners. On the same basis, 36 percent of the service firms were Mexicanized, 25 percent of trade firms, and

only 34 percent of firms in manufacturing, where foreign capital is so important.

The investment commission has developed a great deal of flexibility and finesse in applying the law. It permits 100 percent foreign ownership of assembly plants (known as "border industries," though some of them are in the interior of Mexico). It tries to avoid disguised foreign control. It has fretted over how to simplify procedures to attract "small" foreign investors, whose motives are judged to be derived from a desire for "income" and not "control." It is most generous and flexible when foreign investors agree to serve some key element of Mexican economic policy; e.g., to generate net exports or a substitute for imports, to invest in a favored industry or a favored "decentralized" geographical zone, to train workers or to create promised volumes of new employment, or to adopt a fade-out plan that will hasten Mexicanization. The commission has been severe in rejecting foreign efforts to enter into or expand in the areas of domestic trade, real estate, restaurants, public relations, printing and publishing, construction, and food processing—fields it wishes to "reserve" for firms dominated by national capital and national entrepreneurs. And it believes that it has stopped the foreign acquisition of a majority interest in prosperous existing Mexican firms, a particularly sensitive issue.

RESERVATIONS

A careful appraisal of the commission's achievement is not possible here. But a few reservations are obvious. Foreign purchase of Mexican equity is not "displacement," in the aggregate, unless Mexicans choose not to reinvest. The Mexicanization of a firm may merely turn over property and power to "undeserving" Mexican businessmen, who are thus freed from the necessity of practicing entrepreneurship by organizing their own firms. In addition, foreign acquisition may lead to expansion or improvement, or to ties with already developed foreign markets, with consequent favorable effects on Mexico's income, employment, or balance of payments.

The commission is not blind to such considerations, and its flexibility in promoting a variety of policy interests probably takes them into account. No one can object to Mexico's acquisition of more bargaining power in the face of the large multinational firms that she confronts, or to the obvious technical competence and business understanding that the commission is

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⁴Material for this section has been taken from Mauricio de María y Campos, "Política y resultados en materia de inversiones extranjeras"; Jaime Alvarez Soberanis, "La regulación de la transferencia de tecnología"; and Rafael de Pina Vara, "Nuevo régimen de invenciones y marcas." All are in *Política de Desarrollo Industrial, Comercial y Pesquero en México, 1971-1976, Suplemento de Comercio Exterior*, vol. 26, no. 7 (July, 1976), pp. 29-32, 33-36, and 37-39. Some of the data cited came from *Survey of Current Business* and from *International Financial Statistics*. On the new law on inventions and trademarks, see also Wini Scheffler, "Trademarks and Questionmarks," *Mexican American Review*, vol. 44, no. 9 (September, 1976), pp. 4-8.

Calvin P. Blair has lived and worked in Mexico for five of the past twenty-five years and has taught in three Mexican universities. He is the author of various articles and monographs on Latin America, including an article on Mexican economic policy in *Current History* (May, 1974).

CURRENT DOCUMENTS

Communiqués With Mexico and Bolivia

In June, 1976, United States Secretary of State Henry Kissinger visited four Latin American countries: the Dominican Republic, June 6; Bolivia, June 7; Chile, June 7 and 8; Mexico, June 10-13. The texts of the joint communiqués issued in Bolivia and Mexico follow:

UNITED STATES-MEXICO JOINT COMMUNIQUE ISSUED AT MEXICO CITY, JUNE 11, 1976

The President of the United Mexican States, Luis Echeverría, and the Secretary of State of the United States, Henry A. Kissinger, met today to discuss a broad range of issues. The spirit of the talks was warm and friendly. Both agreed that relations between Mexico and the United States are being carried out in a climate of mutual respect and good neighborship and they emphasized the need to maintain these relations at the highest level, as befits two nations which share the same human and political values, and, especially, the same faith in independence and democracy.

The President and the Secretary discussed world issues which require the most urgent effort in international cooperation on the part of all nations. They were in agreement that the gap between the rich and poor countries is a danger to peace, as ominous as an unbridled arms race. On this subject, they said that it is essential to take steps to accelerate economic development based upon justice and equity.

The Secretary explained to the President several initiatives which he had put forth at the UNCTAD IV meeting in Nairobi and at the recent General Assembly of the Organization of American States, to further the economic development of the developing countries.

President Echeverría offered the Secretary his ideas on the scope of the Charter of Economic Rights and Duties of States, which, for Third World countries, constitutes the basis for a new international economic order, and one of the essential elements for world peace.

The Secretary of State recalled that the United States had given its support, from the very beginning, to the Charter's concept, in spite of the fact that it has not been able to give it its complete approval, due to the fact that some of its provisions are not compatible with basic principles of his country's foreign policy.

The President and the Secretary also touched upon other important matters in the field of bilateral relations between both countries, including the following:

(1) The illicit traffic in drugs between the two countries. The Secretary expressed his warm appreciation for the efforts and cooperation of Mexico in the battle to eradicate this activity. They examined, with concern, not only the demand for drugs in parts of the United States, but also the financing

of production, which is provided from various major urban centers in the United States.

(2) The question of American prisoners detained in Mexican jails—the majority of whom have been apprehended in the course of the permanent campaign which Mexico is carrying out against illegal drug traffic. Mexico has proposed several possible remedies to this problem, which take into account the plight of the considerable number of Mexicans detained in United States jails. The Secretary assured the President that the United States would study these proposals with care, and offered that representatives of the United States would meet soon with the appropriate Mexican authorities for further consideration of the Mexican initiatives.

(3) Trade relations between Mexico and the United States. The Secretary agreed that the United States would give early consideration to several suggestions by Mexico to improve the trade balance between the two countries, which is adverse to Mexico.

At the end of the talks, the President requested the Secretary to transmit to the President and the people of the United States, his warm congratulations on the occasion of the two hundredth anniversary of the Declaration of Independence, and expressed his best wishes for the continued progress and well-being of the people of the United States, on the basis of the same historic ideas which inspired the Founding Fathers two hundred years ago in their struggle for independence, democracy and liberty for all peoples.

The Secretary transmitted to the President the admiration of the American people for Mexico's own proud record in its commitment for social justice, progress and the rule of law.

Finally, the Secretary expressed his personal appreciation for the spirit of hospitality shown him by the Government of Mexico and its people.

UNITED STATES-BOLIVIA JOINT COMMUNIQUE, JUNE 7, 1976

His Excellency the Secretary of State of the United States of America, Dr. Henry A. Kissinger, at the invitation of the Government of Bolivia, visited the city of Santa Cruz de la Sierra on the 6th and 7th of June, 1976. During his visit, he was received by His Excellency the President of the Republic

of Bolivia, General Hugo Banzer Suárez, with whom he held cordial conversations on matters of mutual interest to both countries.

After a friendly dialogue between the Secretary of State of the United States and His Excellency the Minister of Foreign Relations and Worship of the Republic of Bolivia, General Oscar Adriazola Valda, the following Communiqué was issued:

Both sides reaffirmed the close ties of friendship between their peoples and their governments, and expressed satisfaction at the high level of understanding and cooperation existing between the two nations.

In this spirit, His Excellency the President of the Republic of Bolivia, General Hugo Banzer Suárez, and the Minister of Foreign Relations and Worship, General Oscar Adriazola Valda, outlined for the Secretary of State of the United States the scope of the Bolivian proposal for peace, development, and integration in the Southern Cone, intended to resolve Bolivia's geographic isolation by providing sovereign access to the Pacific Ocean.

The Secretary of State manifested great interest in this important subject, and stated that the Government of the United States views with satisfaction the progress which has been achieved up to the present toward reaching a definite solution that will satisfy the interests of the concerned parties.

The Secretary of State also emphasized that a negotiated solution to this century-old problem would constitute a substantial contribution to the peace and development of the South American continent.

The Chancellor of the Republic of Bolivia informed the Secretary of State of the United States of America that he had studied with great interest the speech given by Dr. Kissinger during the general debate at UNCTAD IV which took place in Kenya, in which he made known important proposals with regard to raw materials, trade, and financing; and expressed his desire that these proposals achieve an effective application within the framework of the United Nations system of cooperation for development.

The Governments of Bolivia and the United States recognize the importance of international agreements on raw materials between producing countries and consuming countries. The United States has recognized for its part the importance of the income derived from exports of raw materials for countries in the process of development, such as Bolivia. The Foreign Minister and the Secretary of State agreed that the existing integration processes in Latin America should receive the necessary support since they constitute appropriate mechanisms for achieving inter-regional economic equilibrium, accelerating development and promoting joint activities for the achievement of harmonious and balanced progress.

The Foreign Minister and the Secretary of State agreed on the necessity to increase the efforts of both Governments to combat and eradicate the manufacture and traffic of dangerous substances. They also resolved to explore the means of encouraging the socioeconomic development of the zones producing coca leaves so that such cultivation can be gradually reduced. ■

Erratum: We regret that on page 28 of our January, 1977, issue, the author of *The Arabs in Israel* was incorrectly identified. The author is Sabri Jiryis; Noam Chomsky wrote the foreword.

BOOK REVIEWS

CONTEMPORARY MEXICO. Edited by James W. Wilkie, Michael C. Meyer and Edna Monzón de Wilkie. (Berkeley: University of California Press, 1976. 858 pages, appendix and index, \$12.00.)

The editors have assembled the reports presented to the Fourth International Congress of Mexican History held in 1973. The papers, half of them in Spanish and half in English, offer a comprehensive view of Mexican history since 1910. The editors have organized their materials carefully to make a cohesive volume whose topics follow in logical sequence. The index adds greatly to the value of the work.

O.E.S.

ECHEVERRÍA'S ECONOMIC POLICY

(Continued from page 127)

bringing into the Mexican government. Foreign investors have adjusted quickly to the new reality, and Mexican businessmen who originally opposed the law have come to favor it. New firms including foreign participation continue to be created, and foreign capital continues to flow. United States direct investment in Mexico, for example, rose from \$2 billion to \$3.2 billion in the first three years covered by the investment law. That is an increase of 59 percent in money terms, and 26 percent in real terms (corrected for inflation).

The technology law of 1973 established a National Registry of the Transfer of Technology. Its evaluation department provides economic and technical analysis of contracts, including the sticky matter of pricing. Its registry department administers legal issues. It enters into the bargaining process between supplying and receiving firms and decides whether the terms are acceptable. It has ruled on thousands of contracts, three-fourths of which it has approved, many only after it has discarded features that it judged to be illegal or objectionable. It may deny approval of any technology contract because the price is out of line, because the agreement requires adjudication in a foreign country, because the period of agreement is too long, or because the agreement restricts the output, exports, or access to supplies of the Mexican firm—the famous "restrictive clauses."

The regulation of technology transfer has been administered flexibly; it has increased Mexican skill, knowledge, and bargaining power; it has come to be appreciated by Mexican business interests who at first opposed it; and it has been more or less readily accepted by multinational firms, who obviously would have preferred to be left unfettered. Regulation has also

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MEXICO'S GOVERNMENT IN CRISIS

(Continued from page 105)

investment and available credit, insufficient job opportunities for the fastest growing population in the Western hemisphere, and the underdevelopment of many resources. A greatly deflated level of confidence on the part of many Mexican businessmen was unmistakable.

By contrast, representatives of United States corporations like the Ford Motor Company, the Bank of America, Chrysler Corporation and the General Electric Company were more optimistic in their assessment of economic prospects for Mexico. Essentially, there was confidence in the ability and understanding of the new President, a pragmatic economist with a strong background in money management.

The big question was whether, in the long run, devaluation would solve the country's economic problems, including trade imbalances, deficit spending and unemployment. Much will depend on the government's ability to hold the line on wage increases and price boosts that would wipe out some of the advantages of devaluation. Already some wages and prices have gone up. If exports can be stimulated, and if the important tourist industry attracts more visitors—because Mexico's goods and services are cheaper in relation to the dollar—then devaluation will have a positive effect.

The recurrent theme in López Portillo's inaugural speech was the need to broaden the distribution of wealth, opportunity and justice in Mexican society. But his message was also a call for austerity, and contained assurances for bankers, businessmen and their friends, the landowners, who had labeled Echeverría's reforms "chaotic," "ill-planned" and "socialistic." The former President—perhaps unfairly—was also blamed for increased acts of terrorism during the last year of his administration.¹⁹

The new government gave priority for increased production to agriculture, energy, petrochemicals, oil, steel, mining, transportation and capital investments.²⁰ Whether López Portillo can turn Mexico to a recovery course remains to be seen. With an inflation rate of about 25 percent, an unemployment rate

¹⁹Although terrorism increased in 1976 on both the right and the left, the most spectacular terrorist actions were accredited to the Liga Comunista 23 de Septiembre. They included an armed attack on the new President's sister, the death of 22 policemen in Mexico City, a series of assaults on banks and restaurants, the kidnapping of the Belgian Ambassador's daughter in May, 1976 (released for a ransom of \$400,000), and bombings in the capital during the inauguration. For more details on terrorism, see *Latin America*, vol. 10, no. 33 (August 20, 1976), p. 33.

²⁰Although Mexico imported 7 percent of her oil in 1975, by 1976 she had become a net exporter. See *The New York Times*, December 19, 1976, section 4, p. 3.

estimated as high as 40 percent, an unstable peso, and unrest in the *campo* that has already adversely affected agricultural production, this nation of 63 million people was confronting its worst fiscal-social crisis since the revolution. ■

WOMEN IN MEXICO

(Continued from page 123)

education and work. Approximately 26.2 percent of the Mexican population lives in highly developed areas, 20.9 percent in areas moderately developed, and 52.9 percent in undeveloped areas.¹⁸

At the national level, 11 percent of the total female labor force is employed in the agricultural sector. While the participation of women varies according to the form of production, women who receive wages for their work comprise only 4.7 percent of the total agricultural labor force under wages. Although many women work on the family land parcel, this is considered only an extension of their housework.

In industry, the main sources of work for women stem from tasks considered as "feminine." Of these jobs, 61 percent are concentrated in the manufacturing of clothing, nutritional products, machinery, and other electric or electronic articles (usually only in the finishing stages), and in the manufacturing of shoes (except rubber) and small articles of palm. Of the total number of women in transformative industries, 18.5 percent hold administrative positions, while only 8 percent of the men work in administration. But the proportion of women at the lower end of the salary scale is always higher than that of men, even in those occupations that are considered "typically feminine" and even when women are better educated than men. (At least the proportion of women who have finished grade school is higher than that of men.)

Service occupations have the highest proportion of female labor in Mexico (43 percent). These industries include the preparation and sale of food, grade school and kindergarten teaching, medical and social assistance, institutional cleaning, and domestic service in private homes. Some services are regarded as an extension of the work women do at home, and this view helps maintain the ambiguity of the situation of working women.

Another source of work for women is small businesses, where women work as owners or as clerks. In either case, very little money is involved.

Only 2.8 percent of the female labor force is employed by the government; in this sector, women tend to perform medium-level jobs. However, in Mexico

¹⁸Martha Tienda, "Diferencias socioeconómicas regionales y tasas de participación de la fuerza de trabajo femenina: el caso de México," *Revista de Sociología Mexicana* (Octubre-Diciembre, 1975), p. 917.

City, the ratio of women in higher positions is greater than in the rest of the country.

There is also a very important group of professional women: doctors, dentists, lawyers, architects, engineers. They are important because of their contribution to society and because, together with the women who for many years have excelled in the arts (especially writers and painters), they are changing the traditional image of a passive woman. They are also living examples who demonstrate that "sex, the same as race, does not constitute any biological, historical, or social misfortune. It is only an ensemble of conditions, a frame of concrete references within which humanity strives to reach its fullness in the development of its creative potential."¹⁷ Mexican women have held important public positions, serving as undersecretary of education, minister of the supreme court, ambassador, magistrate, senator, congresswoman, representative in international organizations. These women are clearly exceptions to the rule, considering the small number of women in proportion to men in these positions and in proportion to the total number of qualified women. But it is important that women have broken the centuries-old barriers of prejudice.

Education is unquestionably a determinant influence in the economic activity of women. To improve their condition, women must improve themselves. Through education, women can better fulfill their responsibilities to themselves, to their families, and to their country.

In Mexico, there are no restrictions against women in higher education, but limitations are imposed by tradition and by a family's financial condition. If a girl has to leave home to pursue her education, she will face objections from family and friends, who consider her departure not only unnecessary but a threat to her virtue. She can leave home only if she has a trustworthy relative who will accept her into his home. If the family cannot afford to educate all the children, the males receive the education, because they will have to support a family and because the education of a man is considered a better investment since he will work most of his life, and a woman will work only temporarily.

Comparing the male and female attendance ratio at different levels of education, up to fourth grade there is no difference between the number of girls and boys in school. The girls' attendance begins to diminish in the fifth grade, and as education advances, the number of women drops to very low levels.

With the changing of traditional patterns, the gradual disappearance of prejudice, and the new awareness that Mexico cannot waste half its human potential, the number of women who attend centers of higher educa-

tion is gradually increasing. Statistics compiled by the National University of Mexico (UNAM) reflect this change. In 1972, there were 169,517 university students, of whom 44,735, or 26.4 percent, were women; in 1973, there were 198,294 students of whom 54,528, or 27.5 percent, were women; in 1974, there were 217,535 students, of whom 62,054, or 28.5 percent, were women; and in 1975, there were 222,982 students, of whom 67,404, or 30 percent, were women. Women are concentrating in general science, political and social science, accounting and administration, law, nursing and obstetrics, philosophy and letters, medicine, odontology, psychology, and chemistry. In the school of medicine there are 5,723 women to 15,858 men, and there are more women than men in the schools of odontology, philosophy and letters, and psychology.¹⁸

Although an increasing number of women attend universities, they do not always join the labor force. Although most working women are single (unmarried, widowed or divorced), those with children can contribute indirectly to society by improving the education of their children.

CONCLUSION

The role of Mexican women has been extremely limited, because of traditional cultural patterns and ignorance, complicated by the economic problems that plague the whole nation. Nonetheless, women in greater numbers are now allowed to participate in the economic and political process. Constitutional reforms have granted women complete equality with men before the law and the right to plan their families. But the actual situation does not correspond to the theoretical situation. A change of values is urgent, but the new values must emerge from the Mexican tradition, not from another culture. The traditional, ideal Mexican family must change, but the family will remain important because the extended family provides support for all its members. To change the status of women it is essential to change ideological patterns that contribute to their exploitation. Women must liberate themselves, and educated women must help the unnoticed majority of women. ■

POPULATION PRESSURES

(Continued from page 110)

cently have come to realize the correlation between a slightly reduced population increase and an improvement in living standards. On November 6, 1976, the National Institute of Nutrition reported that 85 percent of the available food in Mexico is consumed by 18 percent of the population, and that 50 million of the republic's 62 million people can be classified as undernourished.¹⁹ Newspaper accounts of the report

¹⁷Rosario Castellanos, *A Rosario Castellanos. Sus Amigos*, Año Internacional de la Mujer. Programa de México (Méjico: Impresora y Litográfica Juventud, 1975), p. 77.

¹⁸UNAM Departamento de Estadística.

¹⁹*El Universal*, November 7, 1976.

provoked reminders from Cabinet and sub-Cabinet ministers that family planning must be more widely practiced if any future increase in food supplies is to improve living standards. In recent years, however, government efforts to increase agricultural production have failed; even if Mexico had a couple of million fewer citizens, a more equitable distribution of food would still depend on the hoped-for farm surpluses that have not materialized.

Earlier, in September, 1976, the Mexico City stock market bulletin published by Nacional Financiera, the government's development bank, revealed the sad state of public investments and resulting yields.²⁰ Between 1970 and 1975, the government increased its investments in various economic sectors at the average yearly rate of 16 percent, but managed to stimulate an annual increase in the gross domestic product of only 5.6 percent. During President Echeverría's 1970-1976 term, Mexico's oil and steel production doubled; but her agricultural production rose only 10 percent in that six-year period, while more and more Mexicans were overcrowding the job market and competing at every level of society for a relatively limited supply of goods and resources.

The government's family planning program is barely three years old, and hardly enough time has elapsed to measure its impact. In some towns in more remote regions, the campaign to make adults aware of the need for birth control is less than one year old, and in many social circles, the very concept of birth control is not yet tolerated. Opposition to family planning is not limited to villages, where peasant fatalism has yet to yield to secular thinking. Among many wealthy and middle class urban Mexicans, the tradition of machismo and large families is still an honored concept.

Dr. Arturo Scarpita, chief of the family planning program for the Mexican Institute of Social Security, reported in August, 1976, that from late August, 1972, when he initiated his program to educate the public about birth control, to early July, 1976, IMSS made positive contact with 1,101,000 families.²¹ He gave no data on how many fertile-age women (15 through 44 years of age) were involved nor how many of these families are practicing birth control.

The Mexican Population Association (AMEP), however, has provided the first significant data since Mexico began officially to promote family planning in 1973. Using the research of the Colegio de México,

²⁰"Inversión Pública," *El Mercado de Valores*, September 6, 1976, p. 695.

²¹*El Heraldo*, August 13, 1976.

²²"Primeros Indicios," *Boletín AMEP*, April-June, 1976, p. 2.

²³*Ibid.*

²⁴Off-the-record statements of SSA administrators to Marvin Alisky, which can be attributed to the ministry but not to the officials themselves to protect their confidentiality, November 9, 1976.

AMEP reported that 1.6 million women were using contraceptive devices (principally the pill), obtained from "family planning centers, both government and private."²² But because of the location of clinics and the sites of population clusters, only 26 percent of Mexican females in the fertile-age bracket live near enough to available clinics to use the service regularly and effectively.

Some government officials insist that there are 7 million women in the fertile-age bracket, but they do not count divorced women nor widows, on the presumption that divorcees and widows are beyond the child-bearing age, a preposterous conclusion even in traditional circles in Mexico. And a discernible number of Mexican females under the age of 15 also get pregnant, as any visitor to Indian villages in Oaxaca, Chiapas, Campeche, and Yucatán states can attest. AMEP acceptance of the 7 million figure²³ will cloud the true situation. Probably there are more than 14 million fertile-age women, and perhaps as many as 16 million. Some census tabulators do not count self-proclaimed spinsters in the child-bearing age group, and some interviewers do not count unmarried women!²⁴ Such gross errors have not been eliminated from either government computer banks nor from Colegio de México analyses.

It is impossible to find out how many Mexican women are sexually active, but a bureaucratic tactic is apparently at work. The lowest possible estimate of fertile-age women in each community is established, and every woman who enters a family planning center is regarded as an active user of birth control devices. It is therefore impossible to substantiate the claims of the SSA (in mid-1976) that "more than one fertile-age woman in four is practicing family planning."²⁴ What the SSA can claim is that 26 percent of Mexico's fertile-aged women have contacted family planning centers or have otherwise asked about birth control.

HOPE

It cannot be assumed that because the Mexican government began its family planning program several years later the population explosion cannot be controlled. The question remains, "How many years will it take to limit Mexico's annual rate of population increase to a rate it can live with, economically and socially?" At the present rate of increase, which is probably 3.8 percent (despite a lower figure claimed by the government), before the end of this century some 120 million Mexicans will be struggling with one another for the limited resources of the republic.

The number of fertile-age women practicing birth control may be increased drastically, and if that happens, the annual increment in population will subside, and Mexico will not strangle internally.

Certainly, political prospects for family planning improved when López Portillo succeeded Echeverría.

An administration dedicated to expanding family planning replaced an administration long on talk but short on action. Thus, for six years, demographers waited for better distribution of the Spanish-language translation of the journal *Studies in Family Planning* (New York: Council on Population), called *Estudios de Planificación Familiar* (Bogotá: Asociación Colombiana para el Estudio de la Población). Now, suddenly, funds are available to buy any additional copies to circulate among Mexicans making demographic policies.

Europe invented the industrial revolution, in the course of which it experienced a demographic increase. However, the European population increase rate was limited by the biological brake of high mortality in the period from the discovery of America to the expansion of modern medicine in this century. And Europe had a safety valve—the relatively empty North and South American continents, to drain off excess population. Because masses of immigrants flocked to the United States, Europe's growth was slow, even before its birth rates began to drop.

Latin America, on the other hand, politically committed to a belated industrial revolution and an attempt to modernize, has no such safety valve, except for the emigration of millions of Mexicans into the United States. South of Mexico, no such migrations occur. The jungles of Brazil, Peru, Ecuador, and Colombia are relatively empty. When a few thousand Guatemalans moved into Chiapas seeking work in 1969 and 1970, Mexican news stories spoke of the "invasion of the braceros." Mexican army units began patrolling the Guatemalan border to stop the few hundred illegal Guatemalans trying to move northward. As for Mexico's own safety valve, United States politicians in the southwest, attuned to Chicano voting blocs, are beginning to worry about the aliens who work for less than Mexican-Americans, especially illegal aliens undercutting Chicanos for farm jobs. Can the United States continue to absorb excesses of unemployed Mexicans?

The Mexican government's educational campaigns to popularize family planning may erode the conservative attitudes of the society's leaders, even though generation after generation of the Mexican elite has clung to pronatalist policies. The full-scale campaign has at least made family planning a popular topic of conversation.

But what of the attitude of the peasants, the campesinos in the countryside, steeped in tradition? What of the dwellers in city slums? Wayne A. Cornelius sur-

veyed the residents of six *colonias proletarias* in Mexico City in 1970, 1971, and 1972, gathering valuable data on migrants to the slums.²⁵ Aware that residence in urban neighborhoods plays a role in the political socialization of the urban poor, Cornelius found that migrants relate to their local communities in different ways.²⁶ If they live in Colonia Nueva, the newest of the squatter settlements included in this study, they are more likely to be knowledgeable about community interests. The Cornelius study might be a guide for the National Population Council when it ponders future sites for family planning centers and tries to decide whether to favor newer or older slums.

Sheer size no longer awes Mexican politicians. And perhaps enough has been written and broadcast inside the republic to temper the nationalist pride Mexicans used to display when boasting of Mexico's ever-increasing population. Mexico City itself, the seat of power of the republic, is a daily reminder of population pressures, as parking becomes a test of the survival of the fittest, and triple-parking replaces double-parking. The gray blanket of smog casts a gloom over the metropolis like a gigantic canopy, shortening both visibility and tempers. By mid-1977, more than 11.5 million residents will be living in greater Mexico City, straining the city's facilities to the point of daily irritation. A report in mid-1976 that 57 percent of the homes in the republic lack sewage facilities adequate for minimal health standards did not worry the establishment. But a prediction that by 1982 one-third of the population of Mexico would be crowding into Mexico City did panic some high placed leaders. That kind of threat to the comfort of those in charge of the government may be the negative catalytic agent needed to hasten the government's family planning program. However, as Frederick C. Turner cautions, the hypothesized effect of urban crowding on political decisions and even on political violence remains unproved.²⁷ Turner observes that governments gain the political support of squatter settlements by expanding public services to those neighborhoods. But what if a government cannot keep supplying marginal communities with the most minimal of their demands? No longer dispersed throughout the countryside, these hungry, angry migrants are concentrated in areas where they could be mobilized for political violence.

There is also evidence that the leadership of Mexico, at long last, understands the importance of family planning. On December 3, two days after he took office, President López Portillo sent a bill to Congress to reorganize the Cabinet ministries, taking the subministerial office of Environment Betterment (Mejoramiento del Ambiente) from the Ministry of Health and Welfare and placing it in the reorganized Ministry of Public Works and Human Settlements. The explanatory preface stated that population pressures on housing require a human settlements division for the Public

²⁵Wayne A. Cornelius, *Politics and the Migrant Poor in Mexico City* (Stanford: Stanford University Press, 1975), pp. vii, 13-16, 109-111.

²⁶Ibid.

²⁷Frederick S. Turner, "The Rush to the Cities in Latin America," *Science*, June 4, 1976, pp. 955-962.

Works Ministry, and that the environment controls in that ministry could relieve the Health and Welfare Ministry of that concern. Not stated, but implied, was the fact that the Health Ministry will have more funds to spend on Family Planning Centers. In constant or pre-devaluation pesos, the SSA in 1971 was spending 34.2 pesos on each Mexican contacted by the Ministry; by 1976 the agency was spending 66.6 pesos per citizen contacted, with much of the increased appropriations going into family-planning related activities.

In November, 1976, a cartoon in *Novedades* showed two unborn child angels. One had a sign saying "Abortion? No!" The "no" had been crossed out and a large "Si!" had been written under it. The first baby-to-be asks "Why?" The second baby-to-be answers, "Because I found out I would be born in Mexico!"²⁸ The message may be getting through. ■

²⁸Editorial page cartoon by Sr. Carreño in *Novedades* in November, reprinted in *Times of the Americas*, December 8, 1976.

MEXICAN EDUCATION

(Continued from page 119)

While it is true that the educational system has reached the most remote areas of the nation, there are 25,000 rural schools that do not—and cannot—offer the complete elementary cycle. To make it possible for those communities to offer a complete curriculum, 60,000 more teachers and many more classrooms would be needed.¹⁴ In urban centers, the problem of the under-educated adult is just as acute; the availability of schools is offset by the pressure to earn a living at a very early age. By creating an alternate educational system alongside the traditional one, the government is, in a way, admitting defeat: it tacitly recognizes that it has failed in its attempt to put every Mexican through the educational system and it concedes that the high drop-out rate is likely to continue. The much heralded literacy campaigns, cultural missions and brigades are quietly labeled quixotic and are being phased into the new plan. On the other hand, one might argue that the educational lag of 24 million Mexicans is the legacy of previous administrations and that the government must be commended for trying to improve the lot of illiterate or semi-literate adults.

The new National Adult Education Law is philosophically consonant with the 1973 Federal Law of

¹⁴This statement is attributed to the then Secretary of Education and is reported in *Documentos sobre la Ley Nacional de Educación para Adultos* (México City: SEP, 1976).

¹⁵The text of the law appears in the *Diario Oficial* of December 31, 1975. When the proposal was submitted to the Congress for ratification, there was considerable discussion about the choice of one word that would have made the employer's participation compulsory. Unfortunately, "podrán" was not replaced by "deberán."

Education which recognizes that knowledge acquired outside the classroom has the same validity as subject matter acquired in a formal learning situation. Although this concept is fairly old in the United States, it is original for Mexico. Non-scholastic education, formerly interpreted as relevant only to Indians and extremely remote communities, is now viewed as a feasible practice for the over-15 population at large. The organization is simple. Existing schools function as administrative centers where an adult student establishes a continuing optional contact with tutors; factories and worksites in general are designated as centers where an employee can further—or begin—his or her education. Textbooks are sold at a very modest price (the Free Textbook Program does not yet extend to this plan) and are self-paced adaptations of texts used in the regular curriculum. The National Adult Education Plan is innovative in three other ways. It requires no document for registration other than a birth certificate. It is decentralized; the local schools have the responsibility of monitoring the students' progress and the authority to grant diplomas, thus avoiding the bureaucratic quagmire of the SEP offices in Mexico City. It also breaks new ground by turning to the employer—private and public—as a resource. Firms are formally asked to favor the establishment of adult education programs within their structures and to extend educational opportunities to members of the worker's family. However, the spirit of this last request has been watered down by the official wording, which falls short of "requiring" that the employer offer such service.¹⁵

The legacy of the Echeverría administration will be felt in Mexico for many years. The financial jolt that characterized his last weeks in power will echo loudly as the plans and programs that he—perhaps irresponsibly—promoted or endorsed are implemented by the López Portillo administration. The Echeverría administration seems to have indulged in facile statistics that are often contradictory and embarrassingly different, depending on the source or occasion. The quality of an administration that seems to have thrived on quantity increases must also be challenged. In the last analysis one must wait for the generation that has begun its schooling under educational reform programs to complete the cycle. ■

MEXICAN FOREIGN POLICY

(Continued from page 101)

addition, there are believed to be 8 to 10 million illegal Mexican aliens in the United States, the majority of whom are Mexicans prepared to work for less than the minimum wage as field hands, domestics, dishwashers, busboys or construction workers.

United States President-elect Jimmy Carter, whose wife attended López Portillo's inauguration, is under

strong pressure from the AFL-CIO to redouble efforts to evict illegal aliens already in the U.S., and to halt the influx of newcomers. Before he proclaims a new "Operación," however, President Carter should consider that the workers' entry is often facilitated by avaricious landowners or maid-hungry families, many Mexicans hold jobs rejected by United States citizens, Mexicans pay more in taxes than they receive in government services, and vigorous action along the 2,013-mile border will disturb the lives and threaten the civil liberties of tens of thousands of American tourists and Chicanos.²³ In the unlikely event that this Mexican safety valve were closed, moreover, there would be sharpened unrest in an oil-rich country with a new President who is respected for a pragmatic, reasoned approach to tough problems.

CONCLUSION

Under Luis Echeverría, Mexico became a strident defender of third world interests vis-à-vis industrial nations and their multinational corporations. Although Mexico's economic dependence on the United States increased during the last administration, López Portillo will undoubtedly continue his country's new international role—though in a less bombastic manner.

Resentment born of proximity to a superpower continues to affect Mexico's relations with the United States. But the Mexican government adheres to self-imposed limits in exhibiting its assertiveness. Thus, while eager to charge OPEC prices, Mexico has thus far refrained from joining the oil cartel.

Mexico's vast supplies of petroleum may allow her to overcome her chronic balance of trade deficit with the United States and may encourage pragmatism in Washington on the illegal alien question. Still, the quality of life for Mexicans and their ability to play a greater role in the international arena depends on López Portillo's success in curbing his nation's vertiginous population growth. ■

²³For a comprehensive analysis of the illegal alien question, see Jorge A. Bustamante, *More on the Impact of the Undocumented Immigration from Mexico on the U.S.-Mexican Economies: Preliminary Findings and Suggestions for Bilateral Cooperation* (a paper presented at the 46th Annual Conference of the Southern Economic Association, Atlanta, Ga., November 17-19, 1976).

ECHEVERRIA'S ECONOMIC POLICY (Continued from page 129)

improved the conditions under which Mexican firms license foreign technology; and it has attracted the interest of third world countries who plan similar programs, notably Ecuador and Vénézuela.

The new Law on Inventions and Trademarks has been in effect only since February 11, 1976. It provides for compulsory licensing of patents and trademarks, if

the Secretary of Industry deems licensing appropriate. It can forestall the "defensive" registry of names or brands, require a single brand for substantially equal goods provided by a given producer (e.g., detergents or beverages). It may require the sale of some products (e.g., pharmaceuticals) under generic names and may prohibit brand names or trademarks for them, thus avoiding public confusion and the "considerable waste of resources on advertising." An especially interesting feature of the law is the requirement of a Mexican name or brand—displayed clearly—to accompany a foreign name or brand. Explaining his motives for the law to Congress, Echeverría referred directly to foreign trademarks and brand names as "bonds of subordination" and as instruments of "not only economic but . . . social and cultural colonialism" in underdeveloped countries. Thus a law with some very progressive features was offered as a sort of declaration of independence for the third world.

It is far too early to evaluate the full effects of the law. Advertising agencies must be nervous. Consumer advocates should be cheering. The Secretary of Industry is preparing to be "flexible," especially in the matter of marks or brands on existing inventories. The law should at least generate some employment—for lawyers.

CONTINUITY AND CHANGE

Only a few of Echeverría's policy measures have been treated here. His is certainly a hard act to follow, and López Portillo has so far only polished the act. López Portillo's courting of the business community is a change of style and appeal but hardly of substance. He maintains the same tax structure, and his new budget shows that he will emphasize the same key sectors of the Mexican entrepreneurial state.⁵ His Alliance for Production brings private industry into his plans and commits key sectors to create 300,000 new jobs by investing 100 billion pesos.⁶ In return, private enterprise may get some government help in meeting its burden of \$7 billion in foreign debt, the peso cost of which has suddenly increased by 60 percent. Private enterprise is also included in the planning process, which may help to reduce uncertainty. The first critical minimum wage settlement, for Mexico City, has been negotiated.⁷ Its 10 percent increase helps convince business that López Portillo means to hold the line on inflation.

López Portillo also preserves the "revolutionary rhetoric" required of Mexican Presidents, albeit in a uniquely "serene" fashion. The style and the stage management of the magic show have changed. But the rabbits are the same. ■

⁵The budget is reproduced in full in *Excelsior* (December 16, 1976), pp. 1-A ff.

⁶"Reunión de la Alianza para la Producción," *El Mercado de Valores*, Año 36, Núm. 50 (December 13, 1976), pp. 989-994.

⁷*Excelsior* (December 30, 1976), pp. 4-A ff.

INCOME INEQUALITY IN MEXICO

(Continued from page 114)

crary. Real corporate salaries in the early 1970's for comparable rank and specialty were 40 percent higher in Mexico than Argentina.²⁹ Since Argentina's real per capita income was about 40 percent higher than Mexico's, the contrast provides a further insight on the concentration of income and wealth in Mexico.

Whether policies favorable to private investment lead to cumulative income concentration in LDC's is an unsettled question. The Mexican experience implies that the future course of Mexico's growth-equity relationship is likely to depend less on the spread effects of economic growth³⁰ than on whether public policy can again pick up the egalitarian strands rooted in the Revolution. Policy prediction is, however, an especially cloudy form of crystal balling.

The collapse of the exchange rate in 1976 signals trouble for the Mexican economy and polity. The initial impact of the devaluation is to raise the relative price of high import content goods, i.e., goods consumed chiefly by the top third of Mexican households. This, plus the slowing of growth and profits, should at least temporarily check the trend toward income concentration. But the top third also has the dominant market power and political clout, and hence is well-equipped to transfer much of the burden of devaluation and slowdown to the lower two-thirds through capital flight, price-wage spiraling in the unionized sector, increased unemployment, and anti-egalitarian fiscal measures to revive private investment. Can these be imposed safely on Mexico's already very high levels of underemployment and income concentration?

Fourteen years ago, Raymond Vernon anticipated the break-up of the ruling party that has provided Mexico with a remarkable degree of political stability

²⁹David Felix, "Trends in Executive and Professional Remuneration in Argentina and Mexico." (1973, mimeo.)

³⁰The circumscribed nature of these spread effects is explicated in theoretical exercises which emphasize that LDCs whose economic growth is strongly dependent, as is Mexico's, on taste and technological influences emanating from advanced economies, are prone to follow income polarizing growth paths. Cf. Lance Taylor and Edmundo Bacha, "The Unequalizing Spiral: A First Model of Belindia," *Quarterly Journal of Economics*, vol. 90 (May, 1976), pp. 197-218; David Felix, "The Technological Factor in Socio-Economic Dualism: Toward an Economy of Scale Paradigm for Development Theory" in a forthcoming festschrift volume in honor of Professor B. F. Hoselitz (Chicago: University of Chicago Press, 1977).

³¹Raymond Vernon, *The Dilemma of Mexico's Development: The Roles of the Private and Public Sectors* (Cambridge: Harvard University Press, 1963).

³²Direct and indirect investment increased to 23 percent of total investment in 1960-67. Newfarmer and Mueller, *op. cit.*, p. 48.

³³11th edition, vol. 18, p. 343.

since 1935, because of such a dilemma.³¹ The occasion was the abject reversal by President López Mateos (1959-1964) of his modest shift back toward egalitarian reform in 1959-1961. The effort had upset business and there was a drop of private and foreign investment; which caused López Mateos to spend the last half of his presidency restoring the investment climate. Since Vernon believed that the favorable economic conjuncture that had enabled the growthmanship policies of the 1940-1960 period to yield high rates of growth was also dissipating, he foresaw the regime's diminishing ability to satisfy the competing economic demands of business, bureaucratic and trade union groups, who were its chief clients, while sustaining the patina of populist measures needed to keep the support of the masses.

Vernon was certainly prescient. Foreign direct and portfolio investment poured in during the 1960's, putting off an anticipated balance of payments squeeze, and the decadal growth rate revived as did income concentration.³² Recently, President Luis Echeverría (1971-1976) also tried to tilt toward egalitarianism. Educational and other social expenditures were generously increased, with a greater focus on the rural population, and sporadic efforts were made to tighten enforcement of the estate size limits set by the agrarian code. Echeverría's reformist rhetoric exceeded his ability to deliver: his tax reforms proved modest. But they upset the business community, which again responded with a drop in the private investment rate. The government felt impelled to finance much of its expanded physical and social investment program with foreign credits, which increased Mexico's already sizable external debt and helped bring on the exchange rate collapse of 1976. Echeverría had impaled himself on the reformist horn of the Mexican dilemma. It is not yet clear whether his successor, López Portillo, will veer back, toward growthmanship-cum-inequality, and if so, whether he and the governing party can avoid impalement on the horn of social unrest.

Predicting policy directions or the limits to political stability is especially chancy. For example, the celebrated eleventh edition of the *Encyclopedias Britannica*, published in 1911, the year the Mexican Revolution broke out, contains an effusive article on Porfirio Mexico which opined that "discontent with Diaz was apparently confined to a small minority" and predicted a smooth transition from Diaz to a hand-picked successor.³³ In the fourteenth edition the *Britannica* made belated amends, concluding its more critical article on the Porfirato with the assertion that, "in short, the conditions of the masses in 1910 were even more deplorable than they had ever been. Under such conditions, Mexico's third great socioeconomic upheaval was inevitable and at hand."

On such great matters social scientists do better predicting the past than the future. ■

THE MONTH IN REVIEW

A Current History chronology covering the most important events of January, 1977, to provide a day-by-day summary of world affairs.

INTERNATIONAL

International Monetary Fund (IMF)

(See also *United Kingdom*)

Jan. 11—The 129-nation International Monetary Fund announces that it is lending \$35 million to Vietnam, to help in the reconstruction of the country.

Middle East

(See also *Lebanon*)

Jan. 15—In Aswan after 2 days of talks, Jordanian King Hussein and Egyptian President Anwar Sadat call for a separate Palestinian delegation to attend the Geneva talks.

Jan. 16—The foreign ministers of Saudi Arabia, Bahrain, Qatar, Kuwait, and the United Arab Emirates agree to postpone financial aid to Egypt and Syria until their leaders meet in March.

Organization of African Unity (OAU)

(See also *Rhodesia Conference*)

Jan. 29—In Lusaka, Zambia, delegates from 21 countries meet to discuss the Rhodesian situation.

Organization of Petroleum Exporting Countries (OPEC)

Jan. 10—The Organization of Petroleum Exporting Countries concludes agreements with 24 developing nations to provide \$111 million in interest-free loans.

Rhodesia Conference

Jan. 1—In Salisbury, chairman of the Geneva conference Ivor Richard begins an intensive series of visits to black and white African nations.

Jan. 9—After 2 days of talks in Lusaka, Zambia, the leaders of Zambia, Tanzania, Angola, Mozambique and Botswana announce their decision to support Rhodesia's nationalist Patriotic Front alliance of Robert Mugabe and Joshua Nkomo. Previously, the leaders of the 5 countries had maintained their neutrality in the split between the Patriotic Front alliance and the coalition of Bishop Abel Muzorewa and the Reverend Ndabani Sithole in Rhodesia.

Jan. 19—In the third week of shuttle diplomacy among African countries, Geneva conference chairman Ivor Richard meets in Johannesburg with South African Prime Minister John Vorster.

Jan. 24—In Salisbury, Rhodesian Prime Minister Ian

Smith rejects the British proposal for the transfer of power. The British suggested that a British high commissioner and a commission take charge of defense and law and order during the transfer of power.

Following Smith's rejection of the British proposals, Ivor Richard says there is no reason to reconvene the Geneva conference.

Jan. 30—Nkomo and Mugabe refuse to meet Richard.

United Nations

(See also *U.S., Foreign Policy*)

Jan. 1—Officials of the U.N. Food and Agricultural Organization (FAO) report that world food supplies are at their highest level in 4 years. Africa remains the area in short supply.

Jan. 10—The Soviet representative says that the U.S.S.R. will not pay its full assessment for the U.N. peacekeeping forces in the Middle East, because of agreements reached outside the Geneva peace conference in which the U.S.S.R. did not participate.

CAMBODIA

(See *Thailand*)

CANADA

Jan. 1—The government extends its offshore fishing limits from 12 miles to 200 miles.

Jan. 13—French Minister of Foreign Trade André Rossi ends a 4-day visit to Canada; he promises French economic assistance to Quebec in the form of investments and technical aid in mining, farming and the pulp and paper industries.

Jan. 23—In a letter to provincial premiers, Prime Minister Pierre Elliott Trudeau calls for a constitutional convention to draft a constitution to replace the British Act of Parliament that is the present basis of Canadian law.

CHAD

Jan. 30—French archeologist Françoise Claustre and her husband are released by rebels; Françoise Claustre has been held captive since 1974.

CHILE

Jan. 4—The government severs all ties with the Andean pact common market when it revokes the

market rules on foreign investment and customs tariffs.

CHINA

- Jan. 1—A New Year's Day editorial affirms Hua Kuo-feng's authority and promises greater "liveliness politically and prosperity economically."
- Jan. 3—Honan radio reports that the deputy commander of the army's railroad corps has been appointed party chief of the Chengchow railroad bureau. The railway is in effect put under army control.
- Jan. 6—Hsinhua, the government press agency, says the country's oil output in 1976 was 13 percent higher than oil output in 1975.
- Jan. 8—In Peking, thousands commemorate the 1st anniversary of Chou En-lai's death; posters call for the rehabilitation of former Deputy Prime Minister Teng Hsiao-ping, who was ousted from office in April, 1976.

CUBA

- Jan. 6—In Moscow, Tass, the Soviet press agency, announces a decision by the Council for Mutual Economic Assistance (COMECON) to build a nuclear power station in Cuba.

CYPRUS

- Jan. 27—In Nicosia, Greek Cypriote President Archbishop Makarios meets with Turkish Cypriote leader Rauf Denktash for the first time in 13 years.

CZECHOSLOVAKIA

- Jan. 4—The government press agency announces the arrest of Josef Grohman on charges of spying for the West. Grohman was a Deputy Minister of Education and Culture and more recently was chief editor of a Czech publishing house.
- Jan. 6—A manifesto in support of human rights called "Charter 77" appears in West European newspapers; it is signed by nearly 300 prominent Czechoslovaks.
- Jan. 10—Pavel Kohout, a playwright, and his wife are detained by police. At least 12 dissidents have been detained since the publication of the human rights manifesto that they signed.
- Jan. 17—4 human rights activists are arrested on charges of committing "serious criminal activities" against the government: they are, Vaclav Havel, Jiri Lederer, Frantisek Pavlicek and Otto Ornert.

EGYPT

(See also *Intl., Middle East*)

- Jan. 9—In Cairo, French Defense Minister Yvon Bourges completes a 5-day visit. He has reportedly promised French technical assistance in establishing an Arab arms industry.
- Jan. 12—*The New York Times* reports that the

Egyptian government has asked France to provide a plant for the manufacture of the Mirage F-1, a jet fighter-bomber. It is also reported that France has agreed to provide Egypt with a few Mirage F-1's by the end of 1977.

- Jan. 17—The government announces rises in the prices of food and cooking gas.
- Jan. 18—In Cairo, thousands of students and workers mob the central city to protest the price increases.
- Jan. 19—After two days of rioting in which 30 people are reported killed, President Anwar Sadat rescinds the price increases.
- Jan. 21—Government officials say that "known Communists and Communist-led elements" are responsible for inciting the food rioting.
- Jan. 22—President Sadat is assured by Saudi Arabian King Khalid and other Arab oil producers that they will continue to stand behind Egypt with their "resources."

FRANCE

(See also *Canada; Egypt*)

- Jan. 9—French intelligence authorities report the arrest of Abu Daoud, a member of the Revolutionary Council of Al Fatah, an arm of the Palestine Liberation Organization, on charges of having planned the attack on Israeli athletes at the 1972 Olympics in Munich in which 17 people were killed.
- Jan. 11—Following a court decision to refuse Israeli and West German extradition requests, French authorities release Abu Daoud and permit him to fly to Algeria.
- Jan. 13—Prime Minister Raymond Barre says that Daoud's release was not politically motivated but was a judicial decision.
- Jan. 19—Former Prime Minister Jacques Chirac announces that he will be a candidate for mayor of Paris. He will run against President Valéry Giscard d'Estaing's chosen candidate, Minister of Industry Michel d'Ornano.
- Jan. 22—President Giscard d'Estaing arrives in Riyadh, Saudi Arabia, for a state visit.

GERMANY, FEDERAL REPUBLIC OF (West)

- Jan. 7—In Madrid, Chancellor Helmut Schmidt meets with Spanish King Juan Carlos and Prime Minister Adolfo Suarez.
- Jan. 19—in an address to Parliament, Chancellor Schmidt says that West Germany's relations with East Germany have deteriorated because of "deliberate irritation" by the East German government.

INDIA

- Jan. 12—2 political opponents of Prime Minister Indira Gandhi's, Mohan Dharia and Chandra Sekhar, are released from prison where they have been detained since 1975.

Jan. 18—In an unexpected announcement, Gandhi announces that parliamentary elections will be held in March, 1977. Her announcement follows by 3 hours the release from prison of her major political opponents, former Deputy Prime Minister Morarji R. Desai and leader of the right-wing Hindu nationalist party L. K. Advani. Gandhi promises "a gradual easing" of emergency restrictions.

Jan. 20—The government announces an end to press censorship; state authorities are ordered to speed up the release of political prisoners.

Jan. 27—Opposition party leader L. K. Advani accuses the government of holding thousands of political prisoners.

Jan. 30—In New Delhi and other major cities, political rallies are held by anti-government factions; these are the first rallies permitted by the government in 19 months.

ISRAEL

Jan. 3—President Ephraim Katzir asks Prime Minister Yitzhak Rabin to form a new government.

Minister of Housing Abraham Ofer commits suicide. He was recently mentioned in the press in connection with the possible embezzlement of public funds.

Jan. 11—Defense Minister Shimon Peres announces his candidacy for leader of the Labor party in opposition to Prime Minister and Labor party leader Yitzhak Rabin.

Jan. 19—In an address to Parliament, Foreign Minister Yigal Allon says that Israel will continue to refuse to negotiate with the Palestine Liberation Organization.

Jan. 24—Finance Minister Yehoshua Rabinowitz presents a \$13.5-billion budget to Parliament; \$4.5 billion is allocated for defense.

JAPAN

Jan. 21—A millionaire friend of former Prime Minister Kakuei Tanaka, Kenji Osano, is indicted on a charge of committing perjury during the investigation of the U.S. Lockheed Aircraft Corporation scandal. He is the 17th person arrested in connection with the scandal.

KOREA, REPUBLIC OF (South)

(See also *U.S., Political Scandal*)

Jan. 12—In a televised interview, President Park Chung Hee says that he would not oppose the withdrawal of U.S. troops from South Korea if North Korea signed a nonaggression treaty with South Korea.

LEBANON

Jan. 1—The Cabinet votes to impose press censorship

which will be enforced by a special section of the police department.

Jan. 3—Syrian troops withdraw from the offices of 6 newspapers as press censorship goes into effect.

Jan. 7—In Beirut, a special Arab committee sets January 12 as the deadline for the collection of heavy weapons from the Lebanese Christians and the Lebanese Muslims and leftist Palestinians.

Jan. 8—The Cabinet enacts several measures designed to stimulate the economy.

Jan. 21—The Arab League's peacekeeping force announces that it will begin armed raids to collect the heavy weapons still being held by Lebanese and Palestinian groups.

Jan. 25—The government lifts its censorship restrictions on outgoing foreign dispatches.

Syrian peacekeeping troops have reportedly reached Nabatiya in southern Lebanon, 9 miles from the Israeli border.

PAKISTAN

Jan. 7—Prime Minister Zulfikar Ali Bhutto announces that general elections will be held March 7.

RHODESIA

(See also *Intl, Rhodesia Conference*)

Jan. 24—The Cabinet rejects the British proposal for resolving the deadlock at the Geneva conference.

Jan. 25—The Central Statistical Office releases figures that show white emigration for 1976 at 14,854; the net loss of whites in 1976 was 7,702.

Jan. 27—Defense Minister Reg Cowper announces a new military call-up of civilians because of the recent increase in guerrilla raids.

SAUDI ARABIA

(See also *Egypt; France*)

SOUTH AFRICA

Jan. 22—In Cape Town, the Anglican Church in South Africa announces its decision to follow the example of the Roman Catholic Church and open its segregated schools to nonwhites. 8 Roman Catholic schools admitted nonwhites January 20 in defiance of the apartheid laws.

SPAIN

Jan. 9—In Madrid, police report the death of 1 demonstrator during a clash between police and nearly 10,000 Basque protestors demanding amnesty for political prisoners.

Jan. 24—In Madrid, gunmen kidnap Lieutenant General Emilio Villaescusa Quilis, head of the military court that tried political cases under the Franco regime.

In another demonstration for amnesty for political prisoners, 2 demonstrators are killed.

In a labor office in Madrid, gunmen kill 4 Communist party workers.

Jan. 25—In Madrid and Barcelona, tens of thousands of workers strike to protest the recent deaths.

Jan. 26—In an attempt to stem the violence, the government bans public demonstrations and announces that it will expel all foreigners with "extremist" sympathies and will punish any group guilty of committing violent acts.

Jan. 28—In Madrid, 3 policemen are killed and 3 are wounded by gunmen in further outbreaks of violence. In the last 6 days 10 people have been killed.

Prime Minister Adolfo Suarez calls an emergency Cabinet meeting. The Cabinet suspends certain constitutional guarantees.

Jan. 29—The First of October Antifascist Resistance claims responsibility for the assassination of the 3 policemen.

Police report they have arrested an estimated 100 to 150 people since the violence began.

SWEDEN

Jan. 10—Finance Minister Ingemar Mundebo presents a \$30-billion budget to Parliament; this is the first budget presented by a non-Socialist government in 44 years.

SYRIA

(See also Lebanon)

Jan. 6—2 Syrians and 1 Palestinian are publicly hanged for taking part in a series of bomb attacks; they were accused of being Iraqi agents.

TANZANIA

Jan. 24—In Dar Es Salaam, the Minister of Home Affairs, the Minister of State and 2 regional commissioners resign after they accept responsibility for torture and murder committed by the police.

THAILAND

Jan. 29—Cambodian rebels cross the Thai border and kill 30 civilians without apparent provocation.

Jan. 31—In the wake of the Cambodian raid, Deputy Prime Minister Boonchai Bamroongphong closes the 500-mile border with Cambodia.

U.S.S.R.

(See also *Intl., U.N.; U.S., Foreign Policy*)

Jan. 4—Agriculture Minister Valentin K. Mesyats reports a record grain harvest of 223.8 million metric tons for 1976.

Jan. 10—Tass, the official press agency, reports that an explosion on a subway train on January 8 killed 5 people.

Jan. 14—Nuclear physicist and Nobel Peace Prize

winner Andrei D. Sakharov says that he believes the Soviet police staged the subway train explosion in an attempt to discredit Soviet dissidents.

Jan. 22—The Central Statistical Administration releases statistics on the country's economic growth for 1976, which indicate the lowest Soviet growth rate in 25 years.

UNITED KINGDOM

Great Britain

(See also *Intl., Rhodesia Conference*)

Jan. 3—In Washington, D.C., the International Monetary Fund grants Britain a \$3.9-billion loan; this is the largest single credit in the IMF's 30-year history.

Jan. 14—Former Prime Minister and Foreign Secretary Sir Anthony Eden dies at the age of 79.

Jan. 24—Chancellor of the Exchequer Denis Healey announces that a consortium of West German, North American and British banks has agreed to lend the government \$1.5 billion to support Britain's currency reserves.

Jan. 28—The Bank of England cuts its minimum lending rate 1 percent to 12.25 percent.

Jan. 29—In London, a dozen bombs explode in the early morning along Oxford Street, a central shopping area; no injuries are reported. Northern Irish Roman Catholics are believed to be responsible for the bombings.

Northern Ireland

Jan. 2—In Belfast, a British soldier is shot and killed.

Jan. 20—3 bombs explode in Belfast's largest department store, which was recently rebuilt after a guerrilla firebomb attack. The Irish Republican Army (IRA) claims responsibility.

UNITED STATES

Administration

(See also *Legislation*)

Jan. 1—Secretary of Transportation William Coleman, Jr., says that we may have to "impose unilateral standards" on shipping to prevent oil spills in U.S. coastal waters.

Jan. 2—Justice Department sources report that department investigators have decided they do not have sufficient grounds to bring major criminal charges against anyone in their investigation of corruption in the Federal Bureau of Investigation.

Jan. 4—President-elect Jimmy Carter names former League of Women Voters president Lucy W. Benson to be Under Secretary of State for Security Assistance.

In a message to the 95th Congress, President Gerald Ford proposes a permanent \$10-billion personal income tax cut and a \$2.5-billion reduction in corporate taxes, along with a 0.2 percent rise in employer-employee Social Security taxes to take

effect in 1978 and additional rises to take effect in 1979 and 1980.

President-elect Jimmy Carter issues guidelines to limit conflicts of interest among Cabinet members and other appointees in policy making positions in his administration: the appointees must make full financial disclosure of net worth and must pledge to wait at least 1 year after they leave government service before lobbying for pay at the agencies in which they have served.

Carter also explains his plan to divest himself of some of his holdings and place other holdings in trusts over which he has no control and from which he cannot benefit financially.

Jan. 5—The Federal Bureau of Investigation issues formal administrative rules to prevent illegal acts by bureau informers.

Jan. 7—In Plains, Ga., President-elect Jimmy Carter announces a plan, generally approved by Democratic congressional leaders, to stimulate the economy, to lower some individual and business taxes, and to provide a tax rebate for all taxpayers in 1977.

Jan. 8—5 members of the Federal Election Commission vote to report to the Attorney General that the commission's 6th member and chairman, Vernon W. Thomson, violated the 1974 campaign law by disclosing confidential information; the 5 members ask for an investigation by the Department of Justice.

Jan. 11—President-elect Jimmy Carter arrives in Washington, D.C., to discuss foreign policy and defense policies.

Jan. 12—President Gerald Ford delivers his State of the Union message to Congress; he praises the American political and social systems and wishes President-elect Jimmy Carter "the very best."

The Federal Election Commission submits regulations to Congress that would require members of Congress to account publicly for their office accounts, known as "slush funds."

Jan. 13—Secretary of the Interior Thomas Kleppe voids the leases of several corporations that permitted the companies to strip-mine coal on the Crow Indian reservation in Montana.

Jan. 14—President-elect Jimmy Carter announces 11 appointments, including 2 women, to his White House staff; Hamilton Jordan, former Carter presidential campaign manager, will be assistant to the President.

The Federal Power Commission approves the emergency sale of natural gas to 2 pipelines serving East and Gulf Coast states that are suffering from shortages.

Jan. 17—Theodore Sorensen, an aide to the late President John F. Kennedy, tells the Senate Select Committee on Intelligence that he has asked President-elect Carter to withdraw his nomination as director of the Central Intelligence Agency because of strong

opposition to his appointment; Carter accepts his withdrawal.

President Ford sends his fiscal 1978 budget to Congress; the budget proposes expenditures of \$440 billion for fiscal 1978 (beginning October 1, 1977) and provides for a deficit of \$47 billion. Revised estimates for fiscal 1977 show spending at \$441.2 billion, with a deficit of \$57.2 billion.

Jan. 18—President Ford submits a 395-page report on the economy to Congress; the report shows that the economy is in an acceleration stage.

President-elect Jimmy Carter names former Deputy Mayor of New York Kenneth Axelson as Deputy Treasury Secretary, Anthony Solomon as Treasury Under Secretary for Monetary Affairs and C. Fred Bergsten as Treasury Assistant Secretary for International Affairs.

Jan. 19—President Gerald Ford says that he will not grant blanket amnesty to Vietnam War draft evaders and military deserters.

President-elect Jimmy Carter arrives in Washington, D.C., for tomorrow's inaugural.

In a specially taped message to be broadcast by the United States Information Agency, President-elect Jimmy Carter addresses the "citizens of the world" and pledges that his administration will try to shape "a world order that is more responsive to human aspirations."

Jan. 20—Walter Mondale takes the oath of office as Vice President of the United States.

Chief Justice of the Supreme Court Warren Burger swears in Jimmy Carter as the 39th President of the United States. In his inaugural address, President Carter urges "a fresh faith in the old dream." President Carter, his wife Rosalynn and daughter Amy walk from the Capitol to the White House.

Former President Ford leaves for Palm Springs, California, after the inauguration.

The Senate confirms members of President Jimmy Carter's Cabinet: Cyrus R. Vance, Secretary of State; W. Michael Blumenthal, Secretary of the Treasury; Harold Brown, Secretary of Defense; Cecil D. Andrus, Secretary of the Interior; Bob S. Bergland, Secretary of Agriculture; Juanita M. Kreps, Secretary of Commerce; Patricia R. Harris, Secretary of Housing and Urban Development; Brock Adams, Secretary of Transportation.

The Senate also confirms Bert Lance as director of the Office of Management and Budget and Charles L. Schultze as chairman of the Council of Economic Advisors.

Jan. 21—President Jimmy Carter pardons Vietnam War draft evaders; he orders further study of the status of almost 100,000 deserters from the armed forces.

President Carter calls on "all Americans" to turn their home thermostats to 65° F in the daytime and

lower at night because of a national energy crisis brought on by the unusually cold winter.

Jan. 23—Supreme Court Justice Burger swears in 12 members of the Cabinet and Cabinet-level appointees. 3 Cabinet members are still awaiting confirmation by the Senate.

Jan. 24—President Carter holds his 1st Cabinet meeting; he announces that he is cancelling the chauffeur service for members of his staff.

The Federal Energy Agency issues emergency regulations to increase the availability of natural and propane gas and kerosene.

President Carter rescinds President Ford's order of January 19 which ended price controls on gasoline.

The Senate confirms Joseph A. Califano, Jr., as Secretary of Health, Education and Welfare.

Jan. 25—The Senate confirms Griffin B. Bell as Attorney General.

The director of the Office of Management and Budget, Bert Lance, says that President Carter has widened his plans to stimulate the economy; the President now plans to spend more than \$31 billion over the next 20 months instead of the earlier plan to spend \$23 billion to \$30 billion. Each individual taxpayer would receive a \$50 tax rebate for every dependent claimed on his 1976 taxes; a business could choose either a 4 percent credit on payroll taxes or a 12 percent investment credit instead of the present 10 percent investment credit.

The President names former Secretary of Commerce Elliot L. Richardson as his special representative at the Law of the Sea Conference and as ambassador at large.

Jan. 26—The Senate confirms F. Ray Marshall as Secretary of Labor.

Jan. 27—Secretary of the Treasury W. Michael Blumenthal, chairman of the Council of Economic Advisors Charles Schultze, and director of the Office of Management and Budget Bert Lance testify before the House Budget Committee on the more than \$31-billion economic stimulus program proposed by President Carter.

Secretary of Labor F. Ray Marshall announces a \$1.3-billion plan to help create 200,000 jobs for unemployed Vietnam veterans; this plan complements President Jimmy Carter's pardon of Vietnam draft resisters.

Jan. 29—President Carter calls an emergency Cabinet meeting to deal with the effects of the severe cold and snow in the eastern two-thirds of the country.

Jan. 30—It is reported that former Assistant Secretary of Defense Paul C. Warnke will be named director of the Arms Control and Disarmament Agency and negotiator for the arms limitation talks.

To call attention to the mounting fuel crisis as two-thirds of the nation suffers continuing bitter cold, President Carter flies to Pittsburgh, which was

hard hit by Friday's blizzard. He warns that the U.S. is approaching a "permanent, very serious energy shortage."

States of emergency have been declared in Delaware, Ohio, New Jersey, New York and Pennsylvania, where governors have acted to close schools and industrial plants to conserve natural gas supplies.

More than 1.5 million workers have been laid off because of the natural gas shortage in the eastern two-thirds of the nation.

Jan. 31—President Carter sends Congress an economic message detailing his plan for a more than \$31-billion tax cut and job stimulus program and revealing that he will soon announce a "substantial strengthening" of the Council on Wage and Price Stability so that it can "monitor" wage and price increases.

The President declares 35 Florida counties a disaster area because of the unprecedented cold.

The Senate confirms former Coca Cola president William Duncan, Jr., as Under Secretary of Defense.

Civil Rights

(See also *Supreme Court*)

Jan. 1—Jacqueline Means is the first woman to receive ordination as a priest in the Episcopal Church in the U.S. since last September's General Convention opened the priesthood to women.

Jan. 8—At Camp Pendleton, California, a military court hears testimony that white marines were allegedly allowed to abuse black marines at the camp and that the whites were Ku Klux Klan members.

In Washington, D.C., Pauli Murray is ordained; she is the Episcopal Church's first black woman priest.

Jan. 9—The congregation of the Plains, Georgia, Baptist Church rejects the membership application of black activist minister Clemon King on the grounds that he lives too far from Plains.

Jan. 17—Gary M. Gilmore is the 1st person to be executed in the U.S. in 10 years; he is shot by a firing squad in Utah. A condemned murderer, Gilmore fought through the courts for the right to be executed.

Jan. 18—Indiana ratifies the equal rights amendment to the constitution; 35 states have ratified the amendment. 38 states must ratify it.

Economy

Jan. 12—The Labor Department reports a 0.9 percent rise in the wholesale price index for December, 1976.

The Labor Department reports that unemployment fell to 7.9 percent in December, from 8.1 percent in November.

Jan. 17—The Agriculture Department says that the 1976 corn crop set a record; the crop totaled almost 6.22 billion bushels.

Jan. 18—The Commerce Department reports that for the last quarter of 1976 the gross national product

grew at an annual rate of 3 percent.

Jan. 19—The Labor Department reports that the consumer price index went up 0.4 percent in December, 1976, and that the index rose 4.8 percent for the year 1976, the lowest rate of increase since 1973.

Jan. 28—The Commerce Department reports a 1.6 percent gain for December in the composite index of leading economic indicators.

The Commerce Department reports a \$5.9-billion trade deficit for 1976; for 1975 there was a surplus of \$11 billion.

The trade deficit for December is reported at \$51.4 million, the smallest in 6 months.

Foreign Policy

Jan. 1—The House International Relations Committee makes public State Department reports that show that 6 nations—Argentina, Haiti, Indonesia, Iran, Peru and the Philippines—violate human rights to some degree, but should continue to receive U.S. military aid.

Jan. 5—According to State Department officials, President-elect Carter has agreed with the proposal of French President Valéry Giscard d'Estaing for a summit meeting of Western economic powers. No time or place has been set.

Jan. 8—President-elect Carter says that during his first week in office Vice President Walter Mondale will travel to Europe and Japan to talk to national leaders "about a need for us to cooperate in dealing with the worldwide economic situation."

Jan. 10—Speaking at Washington's National Press Club, Secretary of State Henry Kissinger says that he does not "believe that the Soviet Union is achieving military supremacy over the United States"; Kissinger also says that the idea of supremacy has "no operational significance" in a nuclear age.

Jan. 23—Vice President Walter Mondale arrives in Brussels to begin a 9-day trip to 5 European nations and Japan; he is expected to affirm U.S. support of NATO and to discuss economic policy.

Jan. 24—Vice President Mondale tells the 15-member NATO Council meeting in Brussels that the U.S. will not cut its financial support of NATO; he then flies to Bonn.

In an interview published today, President Carter calls for a "comprehensive test ban treaty . . . eliminating the testing of all nuclear devices, instantly and completely."

In Bonn, West Germany, Vice President Walter Mondale meets with West German Chancellor Helmut Schmidt and urges a more rapid expansion of the German economy and curbs on West Germany's export of nuclear technology to Brazil.

Jan. 26—White House press secretary Jody Powell announces that in February Secretary of State Cyrus Vance will visit Israel, Egypt, Jordan, Syria, Leba-

non and Saudi Arabia, to urge further progress toward "a just and lasting peace in the Middle East."

Vice President Walter Mondale arrives in Rome to discuss economic problems with Italian President Giovanni Leone and Prime Minister Giulio Andreotti.

In a human rights manifesto, the State Department charges Czechoslovakia with violations of the 1975 Helsinki International Covenant on Economic, Social and Cultural Rights, which was signed by the U.S., Czechoslovakia and 33 other states.

Jan. 27—White House officials report that President Carter is ordering the National Security Council to review preparations for resuming strategic arms limitation negotiations with the U.S.S.R.

A State Department paper says that any Soviet curbs on political dissident Andrei Sakharov would run contrary to "accepted international standards of human rights."

Vice President Walter Mondale meets with Pope Paul VI in the Vatican and then flies to London to meet with and discuss economic policy with British Prime Minister James Callaghan.

Jan. 28—Soviet dissident Andrei Sakharov sends a letter to President Jimmy Carter urging him to speak in support of the persecuted political and religious activists in the Soviet Union and East Europe.

Vice President Walter Mondale leaves London and arrives in Paris.

Jan. 29—In Paris, Vice President Mondale meets with French President Valéry Giscard d'Estaing.

Jan. 30—Mondale arrives in Tokyo.

Andrew Young is sworn in as the U.S. ambassador to the U.N.

President Carter says that although he did not know that the State Department would issue its statement on Sakharov, the statement reflects his views.

Labor and Industry

Jan. 3—*Iron Age* magazine reports that U.S. raw steel production rose 11.4 percent, to 130 million tons, in 1976.

Jan. 5—Sea-Land Service Inc. agrees to pay a \$4-million penalty over a 3-year period to the Federal Maritime Commission for paying more than \$19 million in rebates to customers; this is the largest penalty ever assessed by a transportation regulatory agency in the U.S.

Ward's Automotive Reports show that sales of new cars in the U.S. rose 17 percent in 1976 over 1975.

Jan. 19—Secretary of Commerce Elliot Richardson says that the government will guarantee \$730 million in loans to the General Dynamics Corporation, to enable the company to build 7 special ships to carry liquefied natural gas; this is the largest loan guarantee ever provided by the federal government.

Legislation

(See also *Administration*)

Jan. 4—The 95th Congress convenes.

Senator Robert C. Byrd (D., W. Va.) is chosen majority leader of the Senate; Howard H. Baker, Jr. (R., Tenn.), is picked as minority leader; Alan Cranston (D., Cal.) becomes Senate majority whip and Theodore Stevens (R., Alaska) is chosen Senate minority whip.

Representative Thomas P. O'Neill, Jr. (D., Mass.), is elected Speaker of the House and Jim Wright (D., Tex.) becomes majority leader.

Jan. 5—The Senate Democratic caucus creates a new post for Senator Hubert Humphrey: he becomes Deputy President pro tem of the Senate, with more pay, a chauffeured limousine and access to congressional leadership meetings at the White House.

Jan. 26—President Carter submits emergency legislation to Congress providing temporary federal authority to shift natural gas from one interstate pipeline to another and to permit gas suppliers to charge higher-than-ceiling prices for intrastate gas sold to interstate pipelines. The President again asks every American to turn his thermostat down to 65° F.

By a surprising 189-93 margin, the House Democratic Caucus votes to oust Representative Robert Sikes (D., Fla.) as chairman of the House Appropriations Subcommittee on Military Construction; Sikes was reprimanded by the House in 1976 for financial misconduct.

Military

Jan. 1—According to congressional sources, President Ford will reject a U.S. Navy request for a \$1.5 billion nuclear-powered aircraft carrier.

Jan. 2—Major General George Keegan, Jr. (ret.), who retired as chief of Air Force intelligence on January 1, says that according to recently acquired information, the Soviet Union has achieved military superiority over the U.S.

Jan. 18—The Defense Department authorizes the development of the Tomahawk navy cruise missile and an Air Force missile to be launched from B-52 bombers.

Political Scandal

Jan. 17—Special Watergate prosecutor Charles Ruff drops Watergate cover-up charges against former Assistant Attorney General Robert Mardian. Mardian was convicted on January 1, 1975, on one count of conspiring to obstruct justice, but the conviction was overturned on appeal. Ruff has asked federal Judge John Sirica to dismiss the charges against Mardian.

Jan. 21—The Internal Revenue Service claims that

South Korean businessman Park Tong Sun owes \$4.5 million in taxes for 1972 through 1975. Park is the central figure in an alleged bribery scandal involving U.S. congressmen.

Politics

Jan. 14—William E. Brock, 3d, a former Republican Senator from Tennessee, is elected chairman of the Republican National Committee on the third ballot.

Jan. 21—Former Maine Governor Kenneth M. Curtis is elected chairman of the Democratic National Committee.

Supreme Court

Jan. 10—The Supreme Court refuses to review the decision of the First Circuit Court of Appeals upholding the action of federal Judge W. Arthur Garrity, Jr., in placing South Boston High School in the "receivership" of his court in the fall of 1975.

Jan. 11—By a 5-3 vote, the Supreme Court holds that it is not unconstitutional for a suburb to adopt zoning restrictions that in effect block construction of racially integrated low-income housing; the court holds that an "intent" to discriminate must be proved. The case involves the nearly all-white Chicago suburb of Arlington Heights, Illinois.

Jan. 17—The Supreme Court agrees to hear a request from the Dayton, Ohio, Board of Education, to review a federal appeals court decision upholding a school desegregation plan put into effect by the federal district court for the 1976-1977 school year.

Jan. 25—By a 6-3 vote, the Supreme Court vacates a federal appeals court decision of July, 1976, that affirmed a school desegregation ruling in Indianapolis, Indiana; under the ruling, black children were to be bused from the city to the suburbs. The Court returns the case to the appeals court to be reviewed in light of 2 recent court decisions on the necessity for proof of discrimination.

By a 6-3 vote, the Court rules that when a suspect has entered a police station "voluntarily," is not under arrest and is being questioned, the so-called "Miranda warning" about his right to remain silent need not be given.

VATICAN

Jan. 27—An 18-page declaration published at this time at the request of Pope Paul VI and issued by the Vatican affirms the refusal of the Roman Catholic Church to ordain women as priests, saying women cannot qualify because Jesus Christ was a man and his representatives on earth must bear "a natural resemblance" to Jesus.

VIETNAM

(See, *Intl, IMF*)

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